

Purchasing Week

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\$6 A YEAR U.S.
AND CANADA

\$25 A YEAR
FOREIGN

New Products' Flood Brings Wave of Warranties

HOW BUYERS ANALYZE STEEL

Demand:	First quarter needs will rise, giving mills a 60%-65% operating rate by next March.
Prices:	Selective increases may come about May, but no base price boost looks likely now.
Delivery:	Low operating rates are slowing shipments; some mills are missing dates by two weeks.
Inventory:	Fewer companies report lower inventories, but exact reasons remain unclear.
Lead Time:	Longer times are forecast for next year as demand for steel increases again.
Quality:	Lower mill operating rates are giving buyers quality trouble in recent shipments.

Steel Buyers See No Price Rise Now But Feel Hike Is Inevitable Next Year

Pittsburgh—Steel prices won't rise until demand does, and even after Jan. 1, buyers will be in no hurry to step up the pace of their ordering. The upswing then probably will be relatively modest and uneven—sufficient to increase mill operating rates by only 10 to 15 points over current levels, to about 60% to 65% of capacity during the first and second quarters.

S-P Delays '62 Tooling
Detroit—In a rare reversal of the secrecy usually surrounding automotive plans, Studebaker-Packard Corp. announced that a temporary hold order had been issued on its 1962 model tooling.

Lewis E. Minkel, marketing vice president, indicated that a decision would be made within a few weeks whether to continue as planned or settle for less drastic changes in the forthcoming models. Planning had originally called for relatively extensive style changes in the Lark and addition of a smaller four- (Turn to page 4, column 5)

That's the way the Steel Committee of the National Assn. of Purchasing Agents sizes up the market. The box above summarizes the group's findings as reported after a day-long meeting in Pittsburgh last week when they compared notes on demand, prices, delivery, and other factors.

The NAPA committee, which correctly forecast last October that the final quarter of 1960 would see no pickup for steel, believes that steel price increases are inevitable—but not before the second quarter.

Selective price increases on (Turn to page 33, column 1)

P/W PANORAMA

• **Industry Is Still on the Move**, but the post-war pace of industrial migration may be slowing down. The spread on pages 20-21 tracks the path of companies seeking new plant sites since World War II, and charts the current trends.

• **Positive Action** is needed by a buyer to become firmly committed to a contract—and to end an agreement. "The Law and You" column on page 25 interprets this vital point, and other legal matters that could affect you.

• **An Improvement in Quality** has been noticed in machine tools and plant equipment going on the auction block recently. For an idea of the latest resale prices and a listing of some of the major sales coming up, see page 30.

• **A New Era in Data Processing** appears on the horizon. Machines now entering the market are designed to take over another business chore—reading routine typed documents. See "Product Perspective" on p. 27.

Plan to Revise Defense Buying Stirs Up Heated Controversy

Washington—The Symington plan to revamp the Defense Dept. would have far reaching effects on how the Pentagon spends the billions of dollars that go into defense procurement.

Offered last week by an advisory committee to President-elect Kennedy, the controversial and wide-sweeping plan found plenty of critics both among top level service personnel and among defense contractors.

But there were also those who saw merit in the proposals to effect more centralized control of production and development contracting.

If the procurement consolidation phase of the plan were carried out, here is what analysts of the plan say you could expect:

- More uniform policies on contracting procedures, selection of contractors, profit and cost allowances, and other procurement matters.

- Considerably fewer military field agencies authorized to deal with industry.

- Quicker decisions on invitations to bid and on contract awards, and fewer bureaucrats to rule on individual procurement transactions.

- Simplification of the com-
(Turn to page 33, column 2)

S & H Green Stamps Invade Industrial Field

New York—Eugene Bond, P.A. for Red Devil Tool Co., Union, N. J., made news last week when he bought a drum of chemicals, from Circo Corp., Clark, N. J., and received 1,000 S & H green stamps along with his purchase.

That transaction marked the first use of trading stamps in the chemical field, and it was the first time Sperry & Hutchinson Co., Inc., the nation's largest distributor of trading stamps, had offered the consumer stamps for industrial products.

Circo's program added new fuel to the growing controversy over the use of trading stamps (Turn to page 4, column 4)

Truck Tire Prices Cut

Akron—Truck tire prices are following the lead of passenger tires. Goodyear cut the price of its medium-sized truck tires approximately 7½% last week and other manufacturers were expected to follow suit.

Goodyear said the "adjustment" was aimed at bringing published prices more in line with actual selling prices. Changes apply to cross section sizes of 8.25 through 11. Unchanged are prices of 7.50 and smaller, as well as 12.00 and larger cross section sizes.

But Most P.A.'s Feel Long-Established Ties Are Better Safeguards

New York—The big fuss over more glamorous warranties in the consumer field (autos, etc.) is having its counterpart in the industrial field—though somewhat less dramatically and usually for vastly different reasons.

What the P.A. is finding more and more these days is that:

- So many new products—or remakes of old ones—are coming on the market that manufacturers are trying to stimulate faith in the newcomers by issuing warranties on them.

- Product improvement—via better materials, better engineering, and "reliability" manufacture—makes longer, stronger warranties possible in established lines.

- In a few areas (usually where industrial products overlap consumer lines) warranties are part of an all-around "hard sell."

Chances are that in the months ahead, industrial buyers will find an increasing number of manufacturers dangling warranties either as part of a sales pitch or simply to call attention to a new feature engineered into a product.

Here are some recent examples of this new "hard sell" trend:

- **Automotive parts suppliers** are working hand-in-hand with the auto makers in the stepped-up warranty drive by adjusting their own guarantee periods. AC Spark Plug Div. of General Motors, for one, has extended its warranty on all original equipment items not considered normal maintenance.

- **Makers of original equipment tires** are now beefing up their (Turn to page 34, column 1)

This Week's

Purchasing Perspective

DEC. 12-18

Industry's preoccupation with prices and its confusion over what to do about them reflects the current uncertain course of business. Price headlines of the past few weeks have announced a mixed series of changes—mostly on the down side but with enough ups to confuse the issue.

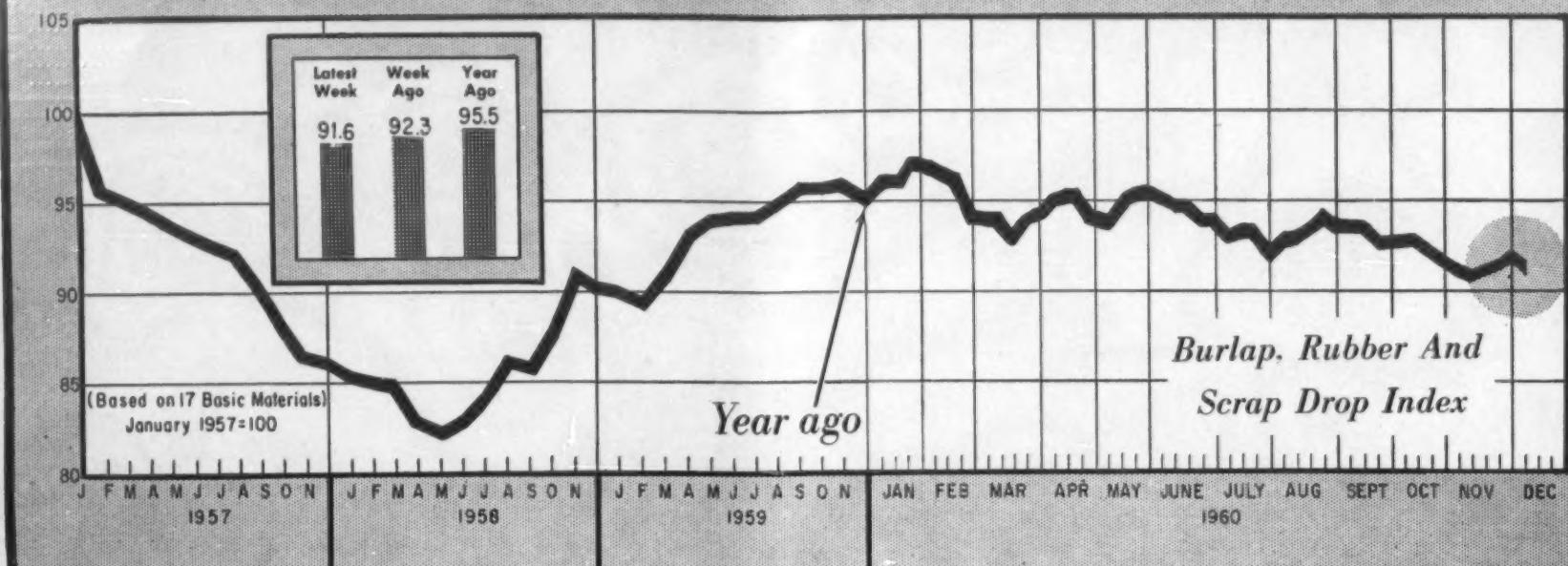
For instance: Corrugated paper went up, then down; tires were marked down, but only to meet what discounters were offering anyway; aluminum products, rubber, pulp, some plastic resins also came down—but come Jan. 1, tin and aluminum cans are due to rise. Steel holds firm in published lists but shaves all corners to gain sales—even while warning that once the market shows more than one ray of sunshine, prices will probably move up again.

• • •

It's hard to agree on much of anything—except that when prices are cut, it's in hopes of sparking more sales, and when (Turn to page 33, column 4)

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

METALS

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Pig iron, Bessemer Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.	5.97	5.97	5.975	- .1
Steel, bars, Pitts., cwt.	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	27.00	27.00	42.00	-35.7
Steel scrap, #1 heavy, del. Cleve., gross ton	25.00	25.00	41.00	-39.0
Steel scrap, #1 heavy, del. Chicago, gross ton	25.00	25.00	40.50	-38.3
Aluminum, pig, lb.	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.	.23	.23	.238	- 3.4
Copper, electrolytic, wire bars, refinery, lb.	.296	.296	.334	-11.4
Copper scrap, #2, smelters price, lb.	.24	.235	.26	- 7.7
Lead, common, N.Y., lb.	.12	.12	.13	- 7.7
Nickel, electrolytic, producers, lb.	.74	.74	.74	0
Tin, Straits, N.Y., lb.	1.019	1.020	1.00	+ 1.9
Zinc, Prime West, East St. Louis, lb.	.13	.13	.125	+ 4.0

FUELS†

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Fuel oil #6 or Bunker C, Gulf, bbl.	2.30	2.30	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.	2.05	2.05	2.15	- 4.7
Lp-Gas, Propane, Okla., tank cars, gal.	.045	.045	.05	-10.0
Gasoline, 92 oct. reg., Chicago, tank car, gal.	.126	.126	.116	+ 8.6
Gasoline, 84 oct. reg., Los Angeles, rack, gal.	.105	.105	.11	- 4.5
Kerosene, Gulf, Cargoes, gal.	.09	.09	.09	0
Heating oil #2, Chicago, bulk, gal.	.098	.095	.096	+ 2.1

CHEMICALS

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Ammonia, anhydros, refrigeration, tanks, ton	94.50	94.50	88.50	+ 6.8
Benzene, petroleum, tanks, Houston, gal.	.34	.34	.31	+ 9.7
Caustic soda, 76% solid drums, carlots, cwt.	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.	.14	.143	.183	-23.5
Glycerine, synthetic, tanks, lb.	.293	.293	.293	0
Linseed oil, raw, in drums, carlots, lb.	.159	.159	.180	-11.7
Phthalic anhydride, tanks, lb.	.185	.185	.165	+12.9
Polyethylene resin, high pressure molding, carlots, lb.	.275	.275	.35	-21.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.	18.10	18.10	12.50	+44.8
Shellac, T.N., N.Y. lb.	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.	.06	.06	.061	- 1.6
Titanium dioxide, anatase, reg. carlots, lb.	.255	.255	.255	0

PAPER

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	95.00	+ 5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.50	9.50	9.25	+ 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.60	6.60	6.30	+ 4.8
Old corrugated boxes, dealers, Chicago, ton	15.00	15.00	22.00	-31.8

BUILDING MATERIALS‡

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Cement, Portland, bulk carlots, fob New Orleans, bbl.	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.	116.00	118.00	122.50	- 5.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.	129.00	129.00	136.00	- 5.1
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.	82.00	82.00	89.00	- 7.9
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.	68.00	68.00	68.00	0

TEXTILES

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Burlap, 10 oz. 40", N.Y., yd.	.142	.148	.104	+36.5
Cotton middling, 1", N.Y., lb.	.323	.323	.329	- 1.8
Printcloth, 39", 80x80, N.Y., spot, yd.	.179	.179	.230	-22.2
Rayon twill, 40 1/2", 92x62, N.Y., yd.	.22	.22	.24	- 8.3
Wool tops, N.Y., lb.	1.470	1.490	1.635	-10.1

HIDES AND RUBBER

	Dec. 7	Nov. 30	Year Ago	% Yrly Change
Hides, cow, light native, packers, Chicago, lb.	.170	.170	.19	-10.5
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.286	.292	.418	-31.6

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

DECEMBER 12-18

SCRAP SCRAPES BOTTOM—Scrap materials are in pretty bad shape—judging from the recent series of price nosedives.

The latest is paper which has just tumbled as much as \$10/ton or 11%. This descent comes hard on the heels of (1) a steel scrap decline which lopped 37% off some tags in just eight months, and (2) a copper scrap decline which now (despite some recovery) has the secondary red metal going for 9% below year-ago levels.

And chances are the bottom hasn't been reached yet. At least that's the opinion of scrap expert H. H. Gumpert in his recent address before the Southern Division meeting of the National Assn. of Secondary Materials Industries.

What's the significance of these declines? One school of experts sees a correlation between the price trend in scrap and the future price of the pure material. They point out that scrap prices are "lead indicators"—turning down or up well in advance of primary material prices (steel, paper, and copper).

If they're right, general raw material price easiness should persist well into 1961.

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THE BUCKING "GENERALS"—Two industrial giants, General Motors and General Electric, are not going along with American industry's decision to cut back on plant and equipment spending.

In fact, they plan to do just the opposite and actually boost outlays. Together they'll spend close to \$1.5-billion for modernization and expansion in the coming 12 months.

What's the reasoning behind their decision? Read between the lines of recent statements of Messrs. Donner and Cordiner (Board Chairmen of GM and GE respectively) and three factors stand out:

• **Business recovery**—Both companies are betting business will snap quickly. Thus, both expect their 1961 sales to equal or top year-ago levels.

• **The cost push**—Both firms are investing heavily in new automated equipment to offset rising labor costs—and in this way keep their prices competitive.

• **The R&D push**—Both need expensive new equipment to translate research and development into sales of new products.

One industry leader, commenting on cost and R&D, notes: "It's either invest or perish—we can't afford not to invest in today's competitive, rapidly changing markets."

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GOOD AND BAD—Current auto sales trend provides plenty of fuel for both optimists and pessimists.

On the plus side, retail shipments have been running well ahead of year ago. Last month, for example, sales hit 529,000 units—a sharp 36% above 1959 levels.

But offsetting this good news was the fact that car inventories were rising—and are now at a record high of close to a million units.

Another dealer worry: Much of sales increase has been achieved by selling leftover 1960 cars at a discount. Dealers note this is dragging down the overall price level—and may be taking away from sales for 1961 models.

• • •

BRASS MILL WOES—Price cutting—both official and unofficial—continues to plague this hard-hit industry.

Last week it was a 1¢/lb. cut in hot rolled copper rods. The week before that is was a sharp reduction in copper water tubes.

Some industry officials see even more cuts in the offing as foreign competition and poor U. S. demand bring next year's sales volume down about 5% below disappointing 1960 levels.

New Rail Merger Activity in East and Midwest

Washington—Railroad merger activity speeded up again last week with these developments reported from the East and Middle West:

• The Norfolk & Western announced that the Wabash will be worked into its proposed merger with the New York, Chicago & St. Louis (Nickel Plate) (see PW, Dec. 5, '60, p. 30). The Pennsylvania Railroad owns about 35% of N&W stock and 86% of Wabash stock.

• The Interstate Commerce Commission granted the Minneapolis, St. Paul and Sault Ste. Marie (Soo Line) permission to merge with two of its subsidiaries—Wisconsin Central, and Duluth, South Shore, and Atlantic. The Canadian Pacific owns controlling interest in all three.

• Directors of the Chicago & Eastern Illinois were to meet to consider an offer by the Missouri Pacific to acquire the C & EI by an exchange of stock. This move, if approved, would give the Missouri Pacific, which operates west and southwest of St. Louis, an entry into Chicago.

A 7,400-Mile Line

The marriage of the N&W/Nickel Plate and Wabash would create a 7,400-mile line having assets of about \$1.7-billion and stretching from the Atlantic Coast as far west as Nebraska. As another part of the deal N&W said it would pay \$27-million for the Sandusky Line of the Pennsylvania, a 111-mile link that would connect the N & W and Nickel Plate.

Most observers believed that the Pennsylvania was using the N & W to lay the foundation for a giant rail combine in the East, although it professed no connection with the N & W merger moves. The N & W absorbed the Virginian earlier this year.

Would Cut Duplication

Under the new merger plan, the duplicating facilities of the Nickel Plate and Wabash in the Middle West would be consolidated. They have 650 miles of parallel lines in the area between Buffalo and St. Louis.

The Wabash operates a main line from Buffalo to Kansas City and serves Omaha and Des

Seven New York Utilities Join in Project to Develop Electricity From the Atom

New York—Seven New York State Utility companies have joined in a project to develop what they described as the nation's largest nuclear-powered electrical generation plant.

The goal is economical electric power from the atom—meaning electric power at a price equal to that now produced from coal, oil, or gas in conventional power plants.

The utilities plan a series of atomic plants within the state to start operating by 1967 or 1968.

The General Dynamics Corp. has been chosen to develop the project, which was announced jointly by the investor-owned utilities and General Dynamics.

Moines. The Nickel Plate's main line runs from Buffalo to Cleveland and St. Louis. Both also serve Chicago.

The N & W operates from Norfolk to Cincinnati and Columbus; it is a major carrier of soft coal.

ICC's approval of the merger of the Soo Line, the Wisconsin Central, and the Duluth, South Shore and Atlantic came less than two months after it authorized the Chicago and North Western to purchase the Minneapolis & St. Louis. The two

unified companies operate as competitors in generally the same area—Minnesota, Wisconsin, Michigan, Illinois, North and South Dakota.

\$222-Million in Assets

The new Soo Line will have assets totaling \$222-million and operating revenue, based on 1959 figures, of more than \$81-million. The ICC said the merger is expected to produce annual savings of about \$1.2-million. The merged company will have nearly 5,000 miles of track.

SoPac's Switch to Competitive Bids For Diesel Fuel Delights Purchasing

San Francisco—The Southern Pacific Railroad has switched its oil buying procedure from private negotiation to competitive bidding, because of the Clayton Act.

This year the SP elected to its board a man who also serves on the board of directors of an oil company with which the railroad has negotiated much of its fuel requirements in the past.

To comply with the Clayton Act and to avoid any implications

of unlawful exercise of interlocking directorate, the SP was obliged to go to the open market for its fuel as it already does for many of its other needs.

A spokesman for the SP purchasing department said he favored the new agreement. "For the first time we have a darn good opportunity to sample the open fuel market," the spokesman said.

The railroad began accepting bids last week for up to 38-million gallons of diesel fuel.

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This Week's

Washington Perspective

DEC. 12-18

Returns from the Treasury Department's depreciation survey of thousands of companies show widespread dissatisfaction with present rules. That's the word from staffers who are compiling a final report to be published around the end of the month.

Results from a practically identical survey using the same questionnaire already have been published by a private firm, the tax research institute. Among their findings:

- 47% of the companies replying said they would be influenced to buy more capital equipment if more liberal depreciation allowances were permissible.
- 50% think present depreciation allowances are unsatisfactory, 41% think they are all right as is.
- 23% want to adjust depreciation allowances to reflect increased prices.
- 58% would be willing to give up capital gains tax treatment of income from the sale of depreciated property.

New or additional financing has been provided for nearly 300 small businesses in the 18 months since President Eisenhower signed the Small Business Investment Act.

And operators of small business investment companies—155 licenses have been issued—are convinced that this is but a beginning. So are Sen. John J. Sparkman (D-Ala.) and Rep. Wright Patman (D-Tex.), chief Congressional sponsors of the SBIC program.

They plan legislation permitting SBICs to borrow from the government a sum equal to their capital and surplus, which now totals \$200-million. They now can borrow only half of this.

Internal Revenue Service has proposed a change in inventory valuation regulations which would help reduce the tax bite on companies using the "last in—first out" method when inventories are declining. The law requires that you report as profit that part of the inventory sold or used up and not replaced at a year's end.

The new rule permits a manufacturer make a single "pool" of all his inventory—raw materials as well as finished goods—instead of accounting for them as separate pools, as a manufacturer must do under current regulations.

So far, IRS has heard no adverse comment for its proposed ruling, which was sparked in part at least by complaints of steel warehouse operators who had sold off most of their inventory during the 1959 steel strike.

Economists paraded before a specially-called session of the Joint Economic Committee last week.

The optimists of the group testifying the first day held out some hope that the current economic downturn would be short and mild, but they claimed it was too early to say with certainty when the decline might end.

Joseph A. Pechman, of the Brookings Institution, challenged the Kennedy Administration to "not only halt and reverse the business downturn" but to adopt fiscal and monetary policies to increase the nation's growth rate.

Charles L. Schultze, of the University of Indiana, advised Kennedy to cut taxes and increase spending to achieve a full-employment economy.

Geoffrey H. Moore, of the National Bureau of Economic Research, said there have been a few "preliminary developments of the sort that usually precede an upturn."

Government economists Louis J. Paradiso of the Commerce Dept., and Seymour L. Wolfson of the Labor Dept. made no recommendations, but were concerned with the trend. Paradiso saw no major forces in sight to provide "the upward thrust needed for resumption of economic growth."

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,376	1,393*	2,732
Autos, units	146,637	118,140*	58,109
Trucks, units	24,492	18,159*	12,141
Crude runs, thous bbl, daily aver	7,834	8,092	7,983
Distillate fuel oil, thous bbl	12,934	13,367	13,168
Residual fuel oil, thous bbl	6,711	6,257	6,713
Gasoline, thous bbl	29,053	28,776	28,772
Petroleum refineries operating rate, %	79.2	81.8	82.1
Container board, tons	145,108	135,541	148,725
Boxboard, tons	85,501	84,279	87,796
Paper operating rate, %	84.4	90.1*	93.8
Lumber, thous board ft	159,257	213,309	210,011
Bituminous coal, daily aver thous tons	1,278	1,341*	1,600
Electric power, million kilowatt hours	14,368	13,500	13,907
Eng const awards, mil \$ Eng News-Rec	446.1	385.0	383.4

* Revised

Hodges Favors Incentives for Private Enterprise

Washington—Gov. Luther H. Hodges will take office as Secretary of Commerce in January with this philosophy of government: America's economic growth depends upon the energies and abilities of private enterprise.

"My basic belief is that you can't wave a magic wand in Washington and expect miracles," Hodges told PURCHASING WEEK last week. "The government has to be oriented toward stimulating the private energies of the nation."

Hodges will favor policies which give private enterprise every possible incentive to perform. At the same time he feels business should not expect government to protect it from fair competition. He is strong for expanded trade, thinks U. S. industry should promote itself aggressively abroad, and that the U. S. should make every effort to attract foreign investment to these shores in return.

Hodges' appointment is an early indication that the Kennedy Administration intends to follow a moderate line in economic matters. Hodges was a successful businessman—vice president of Marshall Field & Co.—when he quit at the age of 52 to go into



TEAMMATES: NAPA President Paisley Boney (left) and Gov. Luther Hodges of North Carolina, newly appointed Secretary of Commerce.

tion of 68 businessmen to Europe a year ago in search of business for North Carolina ports and to persuade foreign firms to invest in North Carolina. The trip was considered an enormous success.

His efforts have paid off in

hard, irrefutable economic facts. In 1958 when the rest of the nation, suffering the effects of recession, invested 17% less in new and expanded industrial facilities North Carolina registered a 35% increase.

Christmas Comes But Once a Year; The Gift Boom Spurns Payola Fear

New York—The business gift industry is booming again this Christmas, despite the feeling against payola.

Gift dealers say the practice of corporate giving during the holiday season will never be wiped out, and they cite thriving sales as proof.

The biggest demand is for desk-top items, which this year range from the standard pen-and-pencil set to all manner of gimmicks.

Example: There's a reminder pad with a time-piece embedded in the cover to keep the busy executive from forgetting appointments.

The Versatile Ball Point

An ever reliable practical gift, the ball point pen, is starting to take on as many accessories as the new cars. Here are some:

• A pen with a scale on the end to weigh letters before mailing.

• A reproduction of an apple with the pen stuck through it—for the apple-polishing gift giver.

• A pen with a pad of "instant paper." Pull out the pen and a sheet of paper pops out.

• A pocket knife, 40 in. tape measure, scissors, and file combination with a ball point attached.

• For the pocket, a telescope pen that folds up to about an inch.

If the secretary or receptionist is on the last-minute list, Wingfield-Wilson Gifts, New York, recommends jewelry on the theory that she does not want candy and probably will not use perfume. But if the office girl is a home-type, W-W has a new triple timer for kitchen appliances. Selling for \$4.95, it times three different things simultaneously.

Another item is a lazy susan base with suction cups underneath (\$3.95). This gadget turns any standard plate or dish into a lazy susan.

For the executive, Peter Bobjohn, Inc., another New York dealer, has a barometer, thermometer, and humidity indicator combination. On the bottom is a

clock which can be wound without removing the unit from the wall. It goes for \$35.

The P.A. who plans ahead can give a leather-bound dictionary (\$32 at Wingfield-Wilson). This Webster's is part of a set including book ends. The idea: Every Christmas give another part of the group to complete the set.

Also in the line-up are Bartlett's Quotations, Roget's Thesaurus, an atlas, a biographical dictionary, and the complete Shakespeare, each priced between \$20 and \$30. That makes six years of gift solution.

The manager of Kelly Girl Service, Inc., has decided that girls, a year-round favorite, make good gifts for the office. As a Christmas party door prize given by the Sales Executive Club of New York, the manager is offering a week's service of a Kelly secretary.

Studebaker-Packard Delays 1962 Tooling

(Continued from page 1) cylinder economy car to the line.

This car would be mounted on a 100 in. wheelbase, and would be powered by a slant-four liquid-cooled engine. This could be built on the existing V-8 engine line, a cost-cutting procedure now used for Pontiac's Tempest powerplant. \$26-million was earmarked for both programs primarily for body dies from the Budd Co.

Budd Co. said it was laying off 700 workers at its Hunting Park (Philadelphia) plant, primarily because of Studebaker's halt in tooling orders. It also cited year-end schedule adjustments in the automotive industry as another cause.

Minkle said that he wanted to squelch any rumors that the company was phasing out of the auto business entirely. He gave no indication that plans for the smaller car would be dropped. However, he did state that the company is weighing whether a change in styling is preferable to maintaining continuity.

Planned Packaging moves merchandise

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The corrugated container—workhorse of mass distribution—has long been known for its excellent product protection.

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VERSATILE WORKHORSE called trackmobile, manufactured by Whiting Corp., Harvey, Ill., provides power to haul freight cars on rails (left) . . .



WITH WHEELS LOWERED, the vehicle can jump the tracks to operate as a piece of over-the-road equipment. If parking gets rough, it can hop a freight.

Cuts in Paper Raw Material Costs Shake Price Structure on Cartons

(Continued from page 1) non-integrated mills who buy their pulp out in the open market place.

The drop in raw materials amounted to as high as \$15/ton—the first major decline since the early postwar years. Examples of cuts:

• **Weyerhaeuser** — \$15/ton drop for both low color sulphite pulp (now priced \$135/ton) and standard sulphite (now \$140/

ton), and a \$10/ton cut in kraft pulp.

• **St. Regis**—\$12/ton reduction in bleached kraft for West Coast delivery.

• **Scrap paper**—Prices broke last week with old corrugated boxes falling to \$15/ton (a \$3 drop), number 1 newspapers falling \$13/ton (a \$2 drop), and white envelope cuttings down to \$80/ton (a \$10 drop).

One of the main reasons given for the cut in pulp tags was the weakness in tablet paper prices after mid-1960. Tablet prices fell sharply during the summer causing demands for lower raw material prices.

Last week, however, most large producers raised their tablet paper prices by 25¢/cwt.

Cost Pressures Rise

The hike was sparked by increasing cost pressures, rather than by a demand pickup. Currently the industry is experiencing a seasonal lull; as one large producer observed, "Demand is dead."

Since competition is especially keen in this item, and since demand is not expected to perk up until after the first quarter, it's quite possible that—with the lower pulp prices—tablet paper may not be able to hold its new price level.

Paperboard Area Darkest

In the paperboard sector of the industry, folding paper cartons—bending board and special food board—are pointed out as having the weakest tag outlook.

"I doubt if we can keep up the prices we've been getting," commented one Midwest producer. The lower pulp costs are expected to provide more room for price cutting in these products already characterized by overcapacity and competition.

But the anticipated price drop won't be proportionate to the pulp cuts. The reason: Much of the decline in this raw material cost had already been pre-empted in the marketplace through widespread discounting.

For another important paperboard product—corrugated cartons—the drop in the cost of old corrugated boxes is expected to keep prices fairly stable at their current low levels.

Capacity Ample

The industry looks for demand to be high and increasing all through 1961. But capacity is ample, and the pulp-using integrated mills in the South will be facing competition from non-integrated mills in the North—which use old corrugated boxes as a prime raw material.

One hint that corrugated carton tags won't rise came when Fibreboard rescinded a 10% increase in its corrugated products which it had announced less than a month previous (see PW, Dec. 5, '60, p. 1).

But although no increase is in the cards for these prices, neither is a price drop anticipated. As a few producers commented, "It's hard to see how prices can go much lower than they already are."



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Government Survey Shows Easing Of Capital Expenditures to Continue

Washington—The slow ease in industrial plant and equipment expenditures, that began last spring, will continue into the first quarter of 1961. The Commerce Dept. and the Securities and Exchange Commission reporting last week on a survey taken in October and late November, said industry as a whole indicated that it expects to spend at a seasonally adjusted annual rate of \$34.9-billion for plant and equipment in the first three months of next year. This would be down 2% from the rate of expenditures in the first quarter of 1960.

The anticipated reduction will occur primarily in the durable goods industries, where projected first quarter 1961 outlays are down 5%.

Plant and equipment spending for 1960 as a whole now are estimated at \$35.75-billion, 10% above 1959 but 4% below the total projected in the early part of this year.

\$35.1 Billion Next Year

A similar McGraw-Hill survey, released last month, indicated total capital expenditures next year would run to about \$35.1-billion. This showed the same slight decline as is indicated by the Commerce-SEC survey even though somewhat dissimilar industrial classifications are used in each case.

The government survey showed that manufacturers are planning to spend at an annual rate of \$14.3-billion in both the fourth quarter of this year and the first quarter of 1961. This is down slightly from the peak rate of \$14.7-billion in mid-1960.

The downward revisions in expenditures in the last six months of this year are traceable chiefly to the non-manufacturing industries, with the decline led by airlines and gas utilities.

The railroads, reflecting unfavorable operations this year, expect to cut spending on road and equipment to an annual rate of \$700,000 in the first quarter of 1961. This would be down 36% from the 1960 rate.

All non-rail transportation

New Cast Speeds Work At Anaconda Zinc Plant

Great Falls, Mont.—Faster, less costly loading and shipping of zinc in larger units is reported by Anaconda Co.'s reduction plant here through use of a new mould that casts a 2,400 lb. zinc slab about 4 ft. square and 6 in. thick.

Designed primarily to make use of mechanized handling equipment, the new cast is said to have these advantages over the traditional 55-lb. ingots:

• Casting cost and handling is reduced. One of the new types is said to replace about 44 of the older shapes.

• Ford truck handling is made possible by ridges at the bottom; mechanical hoisting by slots on each side.

Plant manager Floyd S. Weimer said several shipments already had been made to fabricators. They were well received, he reported, particularly by shops with larger furnaces and facilities to handle the larger slabs.

Companies plan to reduce their first quarter capital spending to an annual rate of \$1.6-billion, down 19% from anticipated expenditures for 1960.

First quarter capital spending rates in other industries include: \$1.5-billion in primary iron and steel, \$300,000 in primary non-ferrous metals, \$600,000 in electrical machinery and equipment, and \$1.1-billion in non-electrical machinery. These are about the same as fourth quarter 1960 rates.

Oilmen See Price Hike if Union Demands Prevail

Denver—The oil workers union, gearing for its new contract negotiations, has made it clear that it wants more than the 5% wage increase reported to have been offered by some firms. Many producers feel a higher settlement would mean price boosts.

The union has targeted a 18¢/hr. wage hike, and has called for negotiations on an industry-wide basis.

O. A. Knight, president of the Oil, Chemical, and Atomic Workers Union, set next week for collective bargaining with the oil

industry, and directed locals to hold simultaneous negotiating sessions on every OCAW oil contract.

The union said several major companies had made wage offers of 5%. But it considered the proposals unsatisfactory because they were tied to a two-year contract without a wage re-opener.

Knight said he had advised locals to continue "bargaining upward from these offers of 5% and seek 18¢ across the board rather than about a 14.5¢ average."

The union said some 600 collective bargaining agreements were involved in current negotiations. "Most of those covering the largest groups will be subject to strike action by the end of OCAW's collective bargaining week," a spokesman told PURCHASING WEEK.

Union officials said the average straight-time wage in the industry is currently \$2.83 an hour. About 90,000 OCAW members are employed in oil industry, chiefly in refining, pipelining, production and marketing.

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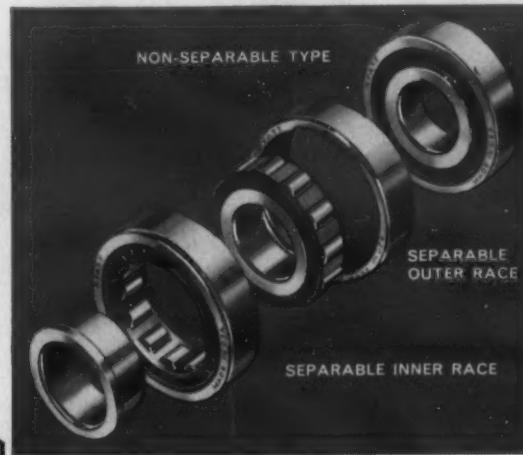
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STRATEGY: Dr. C. T. Hardwick (left) gives C. C. Johnson and B. B. Parker of Carolinas-Virginia Purchasing Assn. some post-speech pointers at Pinehurst.



AWARD: L. B. Whitehouse of Morton Mfg. (left) receives medallion from the donor. W. G. Thomas. Applauding at right is Assn. Pres. Furman Pinson.

Economist Counsels P.A.'s to Become Aggressors in Dealing With Salesmen

Pinehurst, N. C.—A University of Detroit business economist fired up members of the Carolinas-Virginia Purchasing Assn. by calling on them to become the aggressors when salesmen call.

The purchasing agent should dominate the interview, Dr. C. T. Hardwick told the association's winter meeting here Dec. 2-3. "Attack as well as defend," he said. "Don't be afraid to demand."

Urging purchasing men to bone up on the elements of managerial strategy and decision-making, Hardwick described the negotiating and contracting processes as the focal point of industrial buying.

"Scientific buying is more than just passive resistance to salesmen," said Hardwick. And he added: "Successful purchasing requires more than an aggressive plan to get facts, opinions, and attitudes from vendors.

"It takes real savoir-faire, for strategic skills are required during the interviewing (of salesmen) process, and this is the stage at which the buyer must call up his personal astuteness and skills of persuasion." To conduct aggressive buying, Hardwick said, you must professionalize the negotiating technique.

Hardwick, director of the Institute of Business Services at

Development Program

Chicago—NAPA officials met here last week to consider proposals that would increase budgeted expenditures for professional development and educational activities to as high as \$173,000 by 1964-65.

NAPA President Paisley Boney revealed the ambitious long-range program of the organization's Professional Development Committee at the winter session of the Carolinas-Virginia Purchasing Assn. Boney also said additional proposed activities of the group's public relations committee required another \$40,000.

The NAPA president described the committee proposals in pleading for increased membership dues to permit the NAPA to expand its professional activities and membership services.

The Professional Development Committee program envisions financing of scholarships and fellowships at leading colleges and universities, purchasing research grants, subsidies for writing activities, purchasing professorships, and professional staff assistants.

Detroit, needed purchasing for allowing the functions of quality control, specifications, and other technical areas to "slip away." "You have been too willing to play a minor role" in many technical areas, he said.

Hardwick also said purchasing men must build their proficiency in practical economics and general managerial functions.

More than 500 persons registered for the two-day session at which L. B. Whitehouse, Jr., of Morton Manufacturing Co., received the association's Thomas Award for meritorious service in purchasing and civic activities. Whitehouse is vice president in charge of purchasing for the Lynchburg, Va., firm.

NAPA President Paisley Boney attended the meeting along with M. B. Eubanks, Jr., of Riegel Textile Corp., chairman of the NAPA public relations committee, and Clinton Bishop, of Alan Wood Steel Co., NAPA 5th District vice president.

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This Changing Purchasing Profession

Leonard Butters, manager of purchasing and traffic for **Union Steel Products Co.**, Albion, Mich., has been assigned the added post of secretary for the firm. Butters is a former president of the Purchasing Agents Assn. of Central Michigan and served as—NAPA District 4 vice president for the 1957-1958 term.

Robert G. Stevens was promoted to purchasing agent of the **Reliance Div., Eaton Mfg. Co.**, Massillon, Ohio. He succeeds **James W. Morton**, who has been

assigned to the division's steel sales department. Stevens had been senior purchase analyst on the corporate purchasing department staff.



LEONARD BUTTERS

R. G. STEVENS

C. Claude Watkins retires Jan. 1 as vice president and director of purchases, **General Box Co.**, Des Plaines, Ill., after 38 years with the firm. **T. K. Reed** will handle purchases as general purchasing agent. Watkins will continue as a member of the board of directors and will be available also in an advisory capacity for the company.

William A. Parker has succeeded **H. J. McCarthy**, who retired, as purchasing agent, **Parker White Metal Co.**, Erie, Pa.

Robert L. Tripp succeeds **Edward Pettengill** as purchasing agent at **Continental Screw Co.**, New Bedford, Mass. Pettengill becomes manager of production control. Tripp, former traffic manager, had previously served as assistant purchasing agent.

Richard E. Oliver has been appointed purchasing agent of **National Automatic Tool Co.**, Richmond, Ind. He succeeds **Paul G. Nolte**, who retired recently after 45 years with the firm. Oliver served as assistant purchasing agent the past 13 years.

William J. Hunt, manager of

cost and tabulating, has been made assistant director of purchasing at **Minneapolis-Moline Co.**, Hopkins, Minn.



R. E. OLIVER W. J. HUNT

Alvan Markle joined **Yale Materials Handling Div., Yale & Towne Mfg. Co.**, Philadelphia, as purchasing agent. He had been director of purchases for **Walthor Co.**, New York.

Fred A. Coenen was elevated from purchasing agent to director of purchases, **Chain Belt Co.**, Milwaukee. He succeeds **Frederic G. Syburg**, who was named vice president of international operations late last year.



ALVAN MARKLE F. A. COENEN

Charles N. Rini has been made director of purchases by **Brookpark, Inc.**, Cleveland. Formerly purchasing agent of the Cleveland plant, Rini will now direct and set purchasing policy for the firm's three plants and its subsidiary, **Structoglas, Inc.**



Louis A. Little, company purchasing agent since 1949 for **Simonds Saw & Steel Co.**, Fitchburg, Mass., has been advanced to manager of Simonds special products line at the plant. **Edward W. Morgan** has been named purchasing agent at the Fitchburg plant.

Douglas E. Wall has been made manager of **Corn Products Co.**'s Chicago purchasing department. He will have personal responsibility for the Chicago purchasing and milling plant offices of the company as well as for the purchase of mechanical and equipment supplies for all domestic locations.

Obituaries

Albert W. Nystrom, 63, purchasing agent and a director of **Buffalo Electric Co.**, Buffalo, N.Y., died Nov. 1.

Robert Benjamin Mount, 62, purchasing agent for the **Ambler Milling Co.**, Los Angeles, died Nov. 12.

Charles R. Privett, 42, purchasing agent for **Broadlawns Polk County Hospital**, Des Moines, died Nov. 21.

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Vol. 3, No. 50

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December 12, 1960

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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Turning the Clock Back

England may yet turn out to be the last stronghold of rugged individualism.

A typical case of diehard thinking comes to light in a recent report from the Machine Tool Advisory Council, of the British machine tool industry.

The council, in a last desperate attempt to turn the clock back, rejected the recommendations of an American engineering consultant Prof. Seymour Melman, of Columbia University, aimed at streamlining the British tool industry.

Prof. Melman had urged that the industry go in for more standardization of types and parts, buckle down to some serious research and development, and stop over-concentrating on certain tools. He also wants the tool makers to apply more mass production techniques to machine tool building. The effort would permit Great Britain to compete more effectively against the Soviet Union and other nations, he said.

The worst blow of all came from Melman's suggestion that the Empire tool line ought to be standardized to conform with international types and specifications. The council rejected this as a thoroughly un-British notion and resolved that "it did not regard the extreme regimentation and control necessary to create these conditions as being acceptable to democratic and sovereign countries."

The Changing Image

The old public image of the Certified Public Accountant as a rather dull plodding fellow infatuated with endless columns of figures is being replaced by another stereotype.

Recent tax scandals brought to light in the courts and by Congressional investigation committees are responsible for

the changing image of the profession, says Charles P. Rockwood, a public relations spokesman for the American Institute of Certified Public Accountants.

Writing in the *Journal of Accountancy*, Rockwood says that the accountant has emerged in the public mind as a rather shady figure who dispenses dishonest tax advice to wealthy clients. This impression has been aided, Rockwood contends, by the rash of popular writings, such as "Cash McCall" and "The Enemy Camp," which have given wide currency to the belief that "conflicts in tax mortality are endemic in an 'affluent society.'"

He points out: "It takes little imagination on the part of every taxpayer who wrestles with his own conscience to speculate on the integrity of other taxpayers confronted with even larger temptations than his own and in a position to afford expert assistance."

What can the accountant do to correct this impression about his calling? Says Rockwood: "The profession's reputation in tax practice can best be protected by speaking out on tax policy in the broadest sense."

Short Pointer

New York City has discovered a novel technique for protecting itself against chiseling firms who give the city short weight on rock salt deliveries. Sanitation Commissioner Paul R. Screvane has announced that the city no longer will accept the seller's certification of how much he has delivered. In a startling reversal of policy, he says the city has now "concluded that the best way to tell how much salt is delivered is to weigh it on a scale."

Personal glimpses of P.A.'s as they march by in the news

PURCHASING PARADE



• PAINTER: The artist shown above with his personal Mona Lisa is Director of Materiel, Bill Hilliard, of Lane Wells Division, Dresser Industries, Inc. (Houston).

Actually, the portrait is of his wife and favorite model, Agnes Jane (Hilliard also uses his three sons as subjects for his oil paintings).

Working in his studio-room at home, Hilliard spends his weekends painting family portraits, landscapes of his native California, plus oil field scenes. His home is fast becoming his gallery.

• MODEL: Meantime, on the other side of the easel, is a P. A. who doubles as a model.

Although it's a little out of his line, H. R. Morrill, P. A. at Engineering Supply Co. (Dallas), was called on to pose for some shots when his company launched its new sales campaign.

Shown here with his grocery cart and shopping list, Morrill effectively portrays a perplexed P. A. trying to select the products required by his company without the aid of a salesman.



• PARADE LEADER: Months later, they're still talking in North Evanston (Ill.) about the Fourth of July parade that Clary Malmsten, Manager of Purchasing Research at U. S. Gypsum Co. (Chicago) cooked up.

Malmsten was chairman of the affair, viewed by 90,000 spectators and heralded as the finest performance in the entire history of the 39-year-old event.

A veteran at this sort of activity, Malmsten also is:

1) Board member and financial chairman of his church. He's currently responsible for raising \$370,000 for a new wing and has rounded up all but \$43,000 of it himself.

2) A few years ago, he started as scoutmaster of a local troop and did such an energetic job that he was soon appointed commissioner for the entire city of Evanston. He now has 25 men and 3,000 Scouts, Explorers, and Cubs under him. He's also a regular worker for the United Fund.

Malmsten's wife, Dee, is a former U. S. Gypsum personnel employee, a model and actress, and has appeared on several magazine ads and TV commercials.

A man who was once assistant General Purchasing Agent for the Southwest Pacific on Gen. MacArthur's staff, and Director of Purchases for Rochester schools for more than 25 years, is now stepping into retirement after his long career in purchasing.

Joseph L. Ernst of Rochester, N. Y., was a colonel and Legion of Merit winner, and for almost three years during the Pacific war, his job was coordinating all purchases for the Army, Navy and Air Corps. In '48, he was appointed to a task force which recommended the establishment of the General Services Administration.

A real figure in state and national school business circles, Ernst will finish his last semester this month and will be graduating from the profession cum laude.

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PURCHASING WEEK ASKS . . .

What do you look for in a visit to a supplier's plant?



C. V. Pearce, purchasing agent, Osborne Electronic Sales Corp. (magnetic & electro-mechanical device components), Portland, Ore.:

"I look at the general plant condition, age and condition of machinery used in the production processes, and how paperwork in handling an order is accomplished. With these basic facts in mind, I feel you can evaluate performance more fairly. If a plant has up-to-date equipment and is maintained in good condition, you can generally expect to receive material from it that reflects this same attitude."

E. W. Allen, director of purchases, Diamond Chain Co., Inc., Indianapolis:

"My checklist includes: (1) Examine the general condition of production equipment; particularly that equipment used in producing the product we purchase. (2) Inquire and observe regarding the compatibility of labor and management. (3) Discuss general financial conditions. For example: Does the firm have both managerial and financial growth potential? (5) Determine what equipment and procedure is employed to control quality. (6) Observe procedures used for keeping plant clean."

L. S. Kirchner, purchasing agent, Hull Corp. (vacuum process equipment, etc.), Hatboro, Pa.:

"I want to meet and talk with the production manager and engineer. A plant tour will indicate the type and capacity of facilities available, as well as offer the opportunity to see work in process which may be similar to our needs. Old machinery with superlative operators is more to be desired than new machinery with mediocre operators. The intangible aspect of morale within the plant also can be tentatively appraised."

L. W. Shaw, director of purchases, C. F. Church Div., American-Standard (bathroom fixtures, etc.), Holyoke, Mass.:

"There are four things I look for and in this order: (1) Do they have good processing equipment, plant layout, and handling facilities to serve us economically and speedily? (2) Is their personnel such that we can reasonably expect correct material in the right quantity at the right time? (3) How complete is their understanding of our use of their products? (4) How good is their house-keeping?"

M. J. Karpan, director of purchases, Waterloo Valve Spring Compressor Co. (metal boxes & chests), Waterloo, Iowa:

"I first want to meet the sales manager and personnel who process our orders. It is important, also, that I meet the plant superintendent and, if possible, visit with plant personnel. There is no substitute for the personal contacts that are made with your supplier. I want to see, too, the facilities and visit the inspection and packaging departments. I like to observe methods and tempo of production, safety procedures, and good housekeeping practices."

C. R. Hinkley, purchasing agent, Acushnet Process Co. (molded rubber parts & specialties), New Bedford, Mass.:

"You should look for several things before and during your visit. First find out everything you can about the company. When going through the shops of any vendor I pay particular attention to plant housekeeping. A good maintenance program is an integral part of housekeeping. I also try to check the interest of the people producing the product and try to determine whether facilities are adequate and how orders are priced, processed, and followed up."

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Industry News in Brief

Plant Nears Completion

Mobile—Construction of Scott Paper Co.'s \$20-million paper mill expansion is nearing completion here.

The expansion includes a new paper machine and auxiliary equipment designed to boost specialty paper output by 70,000 tons annually. The two-year project is expected to be completed on schedule during the second quarter next year.

Dynacolor Builds

Rochester—Dynacolor Corp. will build a \$750,000 manufacturing and research addition at its facilities here. The construction will add 58,000 sq. ft. to the film manufacturer's facilities at 1999 Mt. Read Blvd. Building is scheduled for completion next spring.

Stanley Expands Line

New Britain, Conn.—Stanley Electric Tools has broadened its product line by entering into the marketing of air-driven tools.

The firm, a division of The Stanley Works, is introducing air tools in the form of air routers and a 12-gage air shear. The new air tools will be sold directly to industrial air tool users it was announced.

Texaco Drops Asphalt

Providence, R. I.—Texaco Inc. will discontinue asphalt production at its refining terminal here Jan. 1.

The company said it would be uneconomic to continue production because of changed market conditions. The 54-year-old terminal has been handling 80,000 to 100,000 tons of asphalt annually.

Snyder Names Firm

Detroit—Neff, Kohlbusch & Bissell Inc. has been appointed midwestern sales representatives for Snyder Corp. Under the new arrangement, the firm will handle sales of Snyder special machine tools in Illinois, Iowa, Indiana, Minnesota, and Wisconsin.

Posen Opens Branch

Norristown, Pa.—Posen & Kline Tube Co. has opened a Midwest branch office at 1900 W. Kinzie St., Chicago. Posen & Kline products include close-tolerance stainless steel and nickel-alloy tubing in both seamless and re-drawn welded types.

Ship Lead Concentrates

Spokane—Clayton Uranium Co. has made the first shipments of lead concentrates from its new mill at Leadpoint, Wash.

Officials said the gravity-type concentrator is now in production on a one-shift basis. The concentrates were trucked to a stockpile at the Bunker Hill Co. smelter at Kellogg, Idaho. The smelter at Kellogg has been shut down since May, because of a labor dispute at Bunker Hill.

Company Sale Approved

Wilmington, Del.—Stockholders of Allied Laboratories, Kansas City, have approved the sale of the company to Dow Chemical Co. effective Dec. 30. An Allied executive said the deal will result in greater accomplishments in medical research.

Ryder Buys Temco

Nashville, Tenn.—Ryder System Inc. has acquired control of

Temco Inc., one of the nation's largest manufacturers of gas heating equipment.

The Miami-based truck firm paid more than \$2-million in a stock deal. The move carries out Ryder's plans to diversify, (see PW, Nov. 28, 1960, p. 16).

Firm Gets License

New York—Walmsley (Bury) Group Ltd., Lancaster, England, machine builders, have been licensed by Clupak, Inc., to build

machinery for making extensible paper.

Walmsley is the fourth machinery company Clupak has licensed. The others are: Beloit Iron Works of Wis., Sandy Hill Iron & Brass Works of Hudson Falls, New York, and Mitsubishi Heavy Industries Reorganized, Ltd. of Japan.

New Firm Formed

Cleveland—A Japanese manufacturer of V-belts has set up an American corporation and has begun national distribution. The new firm, Banrope, Inc., will distribute V-belts manufactured to

American specifications in Kobe, Japan by the Bando Rubber Mfg. Co., Ltd.

Firm Changes Name

Dallas—Chance Vought Aircraft's stockholders have voted officially to change the company's name to Chance Vought Corp., effective Dec. 31.

Change is being made to reflect present functions of company in such fields as electronics, astronautics, industrial automation, business data processing, mobile homes, travel trailers, and missile and satellite range systems.

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New Books

Management of the Physical-Distribution Function (AMA Management Report No. 49). Published by Mfg. Div., American Management Assn., Inc., 1515 Broadway, Times Square, New York 36, N. Y., 200 pages. Price: \$5.25 (AMA members-\$3.50).

In this report, distribution managers and others with experience in this field describe how their companies have reduced distribution costs substantially.

These companies think in terms

of "total" distribution costs and integrate such previously separate physical-distribution functions as order handling, inventory control, shipping, receiving and traffic, under a single command.

Although all phases of distribution management are discussed, special attention is devoted to current developments in transportation—including such new cost-cutting approaches as piggy-back service, containerization, and coordinated transportation.

Vitality in a Business Enterprise, by

Frederick R. Kappel. Published by McGraw-Hill Publishing Co., 330 W. 42nd St., New York 36, N. Y., 102 pages. Price: \$4.00.

With penetrating insight, author Kappel, president of American Telephone and Telegraph Co., sets forth practical principles of managing a successful business. He thoroughly explores the concept of business vitality and reveals both the actions and conditions that bring it about, and those that undermine it.

The assignment of jobs that tax ingenuity, proper delegation of

responsibility, matching of man's ability and interests with his duties are just some of the many elements that the author fits into his concept of business.

From the Manufacturers

Generators

Discusses company's Ames-team generators, ranging from 20 hp. to 600 hp. All models are fully automatic and directly controlled by steam pressure. Units feature easier access for inspection and servicing. Bulletin No. AA 2760 (17 pages). Ames Iron Works, Inc., Oswego, N. Y.

Wire Rope Slings

Gives detailed specification on company's complete line of wire rope slings, including how to choose and use the slings and instructions on basic rules of hitching. (84 pages). *Wire Rope Sales Dept., Colorado Fuel and Iron Corp., Palmer, Mass.*

Laboratory Glassware

Describes 9,000 laboratory apparatus items including physical properties and technical information. Listing includes: Pyrex chemical and heat-resistant laboratory ware, Vycor 96% silica ware, Corning fritted and low-actinic ware, etc. Items are listed according to product type for easy reference. Catalog LG-2 (316 pages). *Laboratory Glassware Sales Dept., Corning Glass Works, Corning, N. Y.*

Air-Powered Equipment

Contains simplified engineering and application data on company's filters, regulators, and lubricators. Accessories to increase unit versatility are also discussed. Bulletin 0400-B1 (20 pages). *Hannifin Co., Dept. 354, 501 S. Wolf Rd., Des Plaines, Ill.*

Tool Holders

Buyers' guide covers Falcon's complete line of quick-change tool holders, adapters, and associated tools. (90 pages). *Falcon Tool Co., P. O. Box 4605, Detroit 34, Mich.*

Flexible Hose

Gives information on Universal's all-metal flexible hose to convey gases, solids and fluids; for vibration control; etc. Includes descriptions, specifications, and application data. Catalog No. ID-100D (19 pages). *Universal Metal Hose Co., 2133 S. Kedzie Ave., Chicago 23, Ill.*

Industrial Metals

Describes manufacturer's line of industrial metals, solid and clad precious metals, thermostat metals, electrical contacts, etc. Gives information on properties, applications, and more. GP-1B (14 pages). *Texas Instruments, Inc., Metals & Controls Div., 34 Forest St., Attleboro, Mass.*

Electric Heaters

Lists product and application data for General Electric calrod tubular, finned tubular, insertion, and vane heaters; forced and natural convection air heaters; etc. Also includes sections on heater control and wiring diagrams. Bulletin GEC-1005K (48 pages). *General Electric Co., Schenectady 5, N. Y.*

Marking Equipment

Discusses company's line of tools and machines for permanently indented marking. Features roll marking, press stamping, hand stamping, graduating, marking dies and tools. Catalog No. 60 (37 pages). *Noble & Westbrook Mfg. Co., East Hartford, Conn.*

Vibration Control

Lists principles of vibration testing and describes company's line of products to excite, measure, and control vibration. Covers machinery and shipping container mounts also. Bulletin 420G (16 pages). *MB Electronics, 781 Whalley Ave., New Haven 8, Conn.*

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national surface and air services. Nationwide coverage to 23,000 communities in the U.S. No charge for door-to-door delivery (within published limits).

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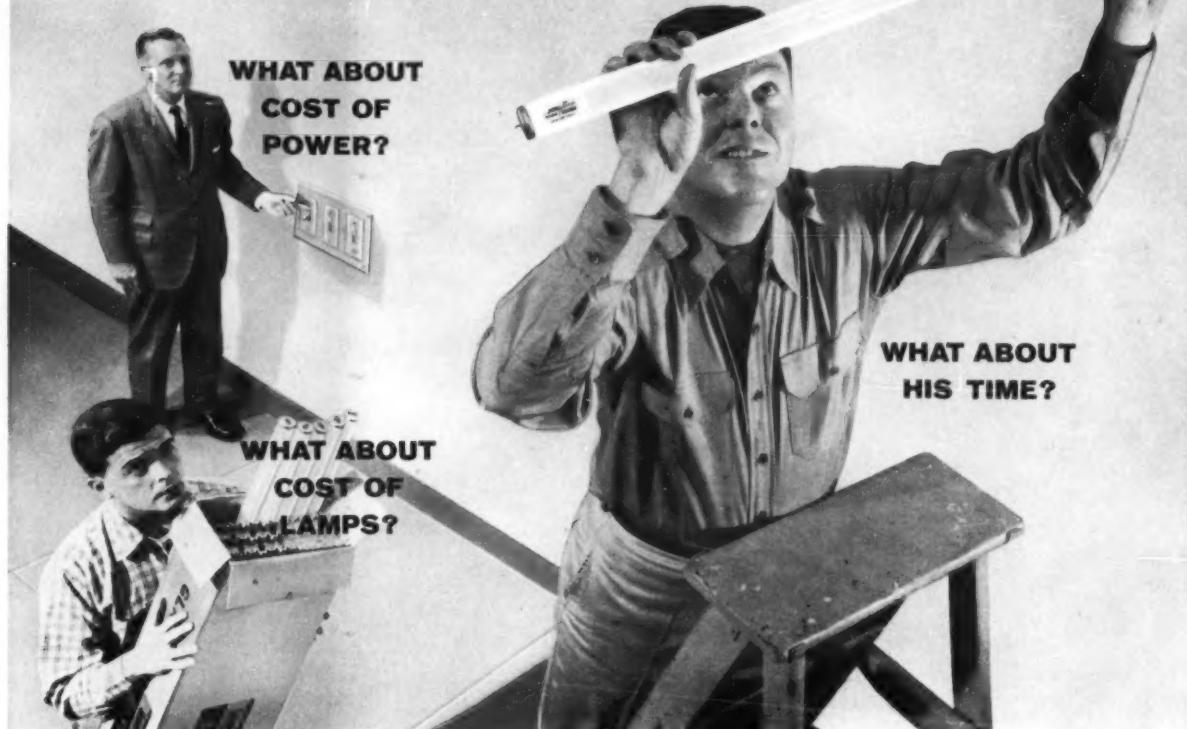
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Transfer Payments Perk Up Faltering Economy

New York—Powerful "built-in economic stabilizers" — technically known as government transfer payments—are helping make the current business downturn the mildest in post-war history.

These payments — consisting chiefly of Social Security, jobless pay, and veteran's pension — have been climbing sharply in recent months (see chart alongside).

Right now these payments are putting a whopping \$30.5-billion in purchasing power per year in the pockets of people who need it most (oldsters and unemployed). And that's probably the major reason why total retail sales are still running close to year-ago levels.

The "automatic" aspects of these stabilizers are working right smack on schedule—increasing simultaneously any time business shows signs of faltering. Two examples over the past 18 months point up the sensitivity of this anti-recession weapon.

Take the fall of 1959. Note the sharp rise in transfer payments—which helped compensate for the income loss from the steel strike.

Steady Rise Since February

More important is the almost steady rise that has been taking place since February of this year. As business began to sag, these payments began to rise.

In the last eight months, payments rose from \$27.7-billion to \$30.5-billion on an annual basis—an increase of almost \$3-billion.

The rise has been particularly steep over the past few months. For example, since July—in a period of four months — these payments have gone up by an estimated \$1.8-billion.

Just how effective these transfer outlays are can be gleaned from a look at the last recession.

From the third quarter 1957 to the second quarter 1958, production cutbacks reduced wages and salaries in manufacturing by \$6.1-billion. Over the same period, transfer payments rose by \$4.8-billion, offsetting almost 80% of the decline.

The effect of government payments is even greater today because they are increasing faster than manufacturing wages are declining. Since July, for example, manufacturing wages have declined by only an estimated \$1.6-billion. That's more than made up by the \$1.8-billion increase in transfer payments over the same period.

And they're still going up. One economist sees government payments "rising another \$2.5-billion by mid-1961—at which time they'll start to taper off again."

With this tremendous growth, it's easy to see why most experts anticipate a reversal in the business trend for the next year.

St. Joe Paper Builds

Atlanta—St. Joe Paper Co., Jacksonville, Fla., has selected Atlanta as the site of its first Georgia manufacturing operation, a \$2.5-million corrugated box plant. Plans call for completion of construction during 1961.

The new plant will be supplied with paperboard from St. Joe's mill at Port St. Joe, Fla., one of the country's largest kraft paperboard mills.

The magnitude of these stabilizer-type increases, however, reflect more than just a cyclical response to recession. There has been a long-term growth in the effectiveness of the stabilizers ever since World War II. Right now, for example, they're running at more than three times the 1946 rate.

This growth has been particularly strong in unemployment compensation, because of bigger weekly payments, greater coverage of more industries, and higher unemployment rates. Result: By growth of 61%.

the third quarter 1960, state unemployment benefits were running at a \$2.9-billion annual clip—compared to only \$75-billion in 1947.

Social Security payments are also in a long-term rise—as more and more of the working population reach retirement age.

The figures again tell the story. Only three years ago (1957) these payments came only to \$7.3-billion. In the third quarter 1960 these payments were running at an \$11.3-billion annual clip—a



December 12, 1960



173 years old with young ideas on service

From its modern Providence, Rhode Island, headquarters, J. U. Starkweather Co., Inc., serves all of New England . . . gives hundreds of customers unparalleled service and supply. An example of the emphasis placed on prompt service is the fact that Starkweather offers its customers a special ONE HOUR service anywhere within a 25-mile area. A "special delivery" truck stands ready day and night assuring a speed of service impossible for most suppliers to match.

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Customers of J. U. Starkweather Co., Inc., appreciate the benefits of dealing with a good chemical distributor. If you are interested in such service on Mathieson chemicals, we will be glad to suggest distributors in your own area.

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Sulfuric Acid • Urea • Ethylene Oxide • Ethylene Glycols • Polyethylene Glycols • Propylene Oxide • Propylene Glycol • Polypropylene Glycol
Propylene Dichloride • Ethanolamines • Glycol Ethers • Surfactants • Ethylene Dichloride

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In the World of Sales

William W. Riddell and Ralph G. Wright were named sales managers, **Battery Co., Div. of Servel, Inc.**, Freeport, Ill. Riddell will be responsible for the administrative and marketing phases and Wright will handle field sales operations.

John A. Lovett was elevated to sales manager, **U. S. Engineering Co., division of Litton Industries**, Van Nuys, Calif.

Ivan J. Barclay and Robert R. Cope have been assigned the posts of general sales managers, **Rea Magnet Wire Co., Inc.**, Fort Wayne, Ind.

Albert F. Lang was appointed New York district sales manager, **Penco Div., Allen Wood Steel Co.**, Oaks, Pa.

Myron Frank has been promoted to product manager for Ambitrol products, with the sales responsibility for brake fluids and antifreeze, **Chemicals Dept., Dow Chemical Co.**, Midland, Mich.

Edwin T. May has been given the newly created post of sales manager-defense products, **Novo Industrial Corp.**, New York City.

D. J. Mollihan was named sales manager and W. C. Barrett and F. E. Pratt were named assistant sales managers, **International Paper's Container Div.**, plants, Chicago. C. W. Kurth was named assistant sales manager of that company, Fond du Lac, Wis.

Thomas S. Burns has joined **Hughes Aircraft Co.'s Semiconductor Div.** as manager of the district sales office, Detroit. He was formerly with General Electric Co.

Robert Allyn has been elevated to assistant to the vice president, director of sales, and J. E. Braas and Carlos V. del Mercado have been promoted to sales managers, **Owatonna Tool Co.**, Owatonna, Minn.

Douglas T. McClure has moved up to car sales promotion manager and L. Jack Wright has been made truck sales promotion manager, **Ford Div., Ford Motor Co.**, Dearborn, Mich.

A. P. Farnsworth has been appointed assistant manager, tin plate sales, and B. J. Woods has been made assistant manager of plate structural and bar sales, **Kaiser Steel Corp.**, Oakland, Calif.

Gordon Sortor has been advanced to sales manager, **Roundup Mining Co.**, Roundup, Montana.

J. E. Counihan was given the post of sales manager, **Charles J. Weigel, Inc.**, and will continue as sales manager of **Holland Color & Chemical Co.**, Holland, Mich., subsidiaries of the **Chemical Products Div., Chemetron Corp.**

Raymond K. Strayer has rejoined the **Steel Plate Div., Posey Iron Works, Inc.**, Baltimore, as

sales manager. He has been with **National U.S. Radiator Co.**

Andrew L. Larson was promoted to manager of Navy sales, **Lockheed Electronics Co.**, Plainfield, N. J.

Peter Zitso has been appointed manager of advertising and sales promotion, **Gabriel Co.**, Millis, Mass.

A. T. Christensen has been named manager of sales and contract management, **General Elec-**

tric Co.'s Missile and Space Dept., Philadelphia.

Arthur J. Buchtenkirch was elevated to manager to instrument sales, **Kollsman Instrument Corp.**, Elmhurst, N. Y.

Robert E. Bell has been assigned the post of district sales manager, **General Electric Co.'s Heavy Military Electronics Dept.**, Washington, D. C.

Robert T. Cahill has been given the newly created post of

manager of sales service, **Technical Products Div., Corning Glass Works**, Corning, N. Y., and **Frederick F. Fleischman, Jr.**, has been made district sales manager in the Pittsburgh office.

E. L. Nolan was appointed manager of the Eastern regional sales office, **Bendix Aviation Corp.'s Bendix Pacific Div.**, New York City.

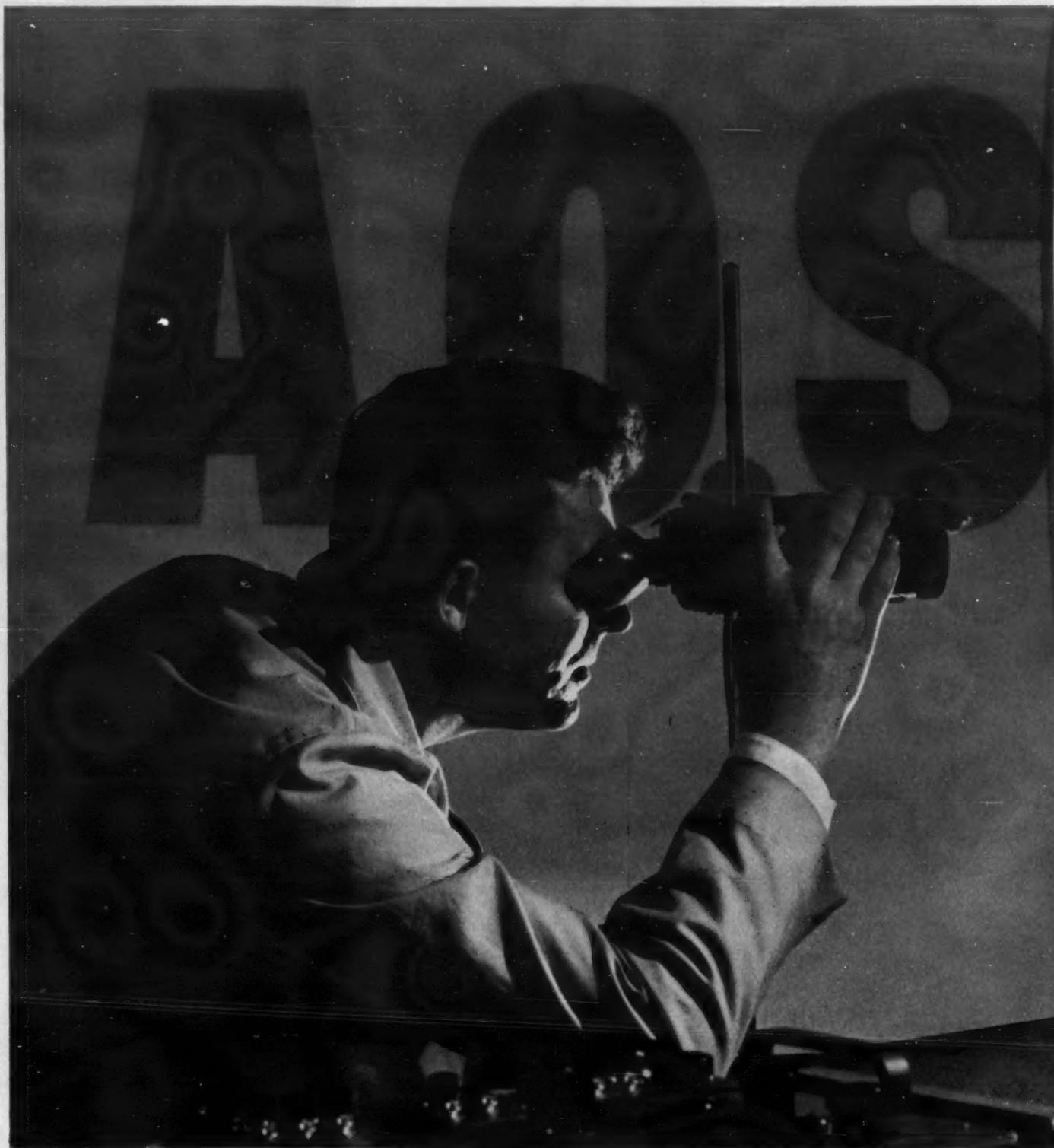
H. C. Webb has been promoted to district sales manager, **Haynes Stellite Co.'s Central District**.

Leo W. Sheehan was advanced to district sales manager, **Bullard Co.**, Detroit.

Charles H. Black has been advanced to the new sales post of district manager, **Western Penn. territory**, and **Frederic Salzman** has been named central regional sales manager, **Metal Edge Industries**, Barrington, N. J.

David L. Litten has been appointed sales manager, **Lighting Div., Westinghouse Electric Corp.**, Cleveland.

Raymond B. Oyler was elected vice president, **Bunting Brass & Bronze Co.**, Toledo, and will continue to direct the company's selling efforts. He was formerly director of sales for Bunting Brass & Bronze Co.



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MEMPHIS ASSN. newly elected officers include: (seated, l-r): Harvey V. Stauber, Velsicol Chemical Corp., first vice president; Robert E. Lytle, Firestone Tire & Rubber Co., president; Robert R. Daube, Ivers & Pond Piano Co., second vice president; (standing) George R. Cole, Davis Co., director; Robert G. Browne, Memphis Bearing & Supply Co., secretary; Lawrence M. Lyon, Conley Frog & Switch Co., national director; A. G. Bartusch, Memphis Steam Laundry, director. Missing from this group is Raymond B. Thomas, Coca-Cola Bottling Co., director.

←

Association News in Brief

Essex-Kent

Detroit—Members of the Detroit Purchasing Agents Assn. skipped their regular November meeting to cement good neighbor relations with the Purchasing Agents Assn. of Essex-Kent, Windsor, Ont.

Some 100 Detroit members and guests crossed the border to join the Canadian group last month in a tour of the finished goods plant of Hiram Walker & Sons, Ltd.

At an evening meeting following the plant visit, W. Arison,

assistant production manager of Hiram Walker, spoke on "Growth in the Age of Space." The way to a better life, stressed Arison, is through better thinking and science.

The two associations have been exchanging annual meetings for approximately 10 years.

Jacksonville

Jacksonville, Fla.—Florida P.A.'s are inviting members of the Sales Executive Club to attend their first quarterly meeting of 1961 here at the Mayflower Hotel, Jan. 19-21. The meeting will be the Purchasing Agents Assn. of Florida's seventh annual buyer-seller-management conference.

Program agenda includes a talk on "Prepare Today to Meet Competition Tomorrow" by B. C. Riley, dean, General Extension Div., University of Florida, Gainesville. J. E. Clark, purchasing agent, Gulf Oil Corp., Atlanta, will discuss "VASCO and How It Works."

Dr. Earl A. McIntyre, manager of advertising and promotional departments, Tourist Services, Florida Development Commission, Tallahassee, will speak on "Public Relations" and Thor C. Laugesen, purchasing agent, Anaconda Aluminum Co., Louisville, on "Purchasing Is a Profession."

New England

Boston—Wilber G. Hayward, purchasing agent at Forbes Lithograph Mfg. Co., is back in office



W. G. HAYWARD

as president of the New England Purchasing Agents Assn.

He succeeds Louis A. Little of Simonds Saw & Steel Co., Fitchburg, who resigned after a recent promotion relieved him of his purchasing duties (see "This Changing Purchasing Profession, p. 9).

A member of the group for 21 years, Hayward served as president during the 1952-53 term and has been active on many committees and the board of directors.

South Bend

South Bend, Ind.—P.A.'s here proved to themselves last month how easily communications can be botched up

At the South Bend Purchasing Agents Assn. November meeting, Dr. Dean W. Barnlund of Northwestern University, enlisted audience participation in demonstrating the ease with which a written, spoken or picture communication can completely lose its original meaning during successive transfer from one person to another in a group.



Anyone can look through the optical pyrometer pictured above—but without the insight born of inspired intelligence, the most sophisticated instrument is worth little.

Realizing this, A. O. Smith has always sought out superior people to guide its Research and Development. From them have come important new concepts leading to important advances in A. O. Smith products for home, farm, industry and national defense. Their influence is felt throughout modern metal fabricating, power generating and processing, to name just a few fields. Areas in which the minds of A. O. Smith are at work today are described in our new Research and Development book. You are invited to write for a copy.

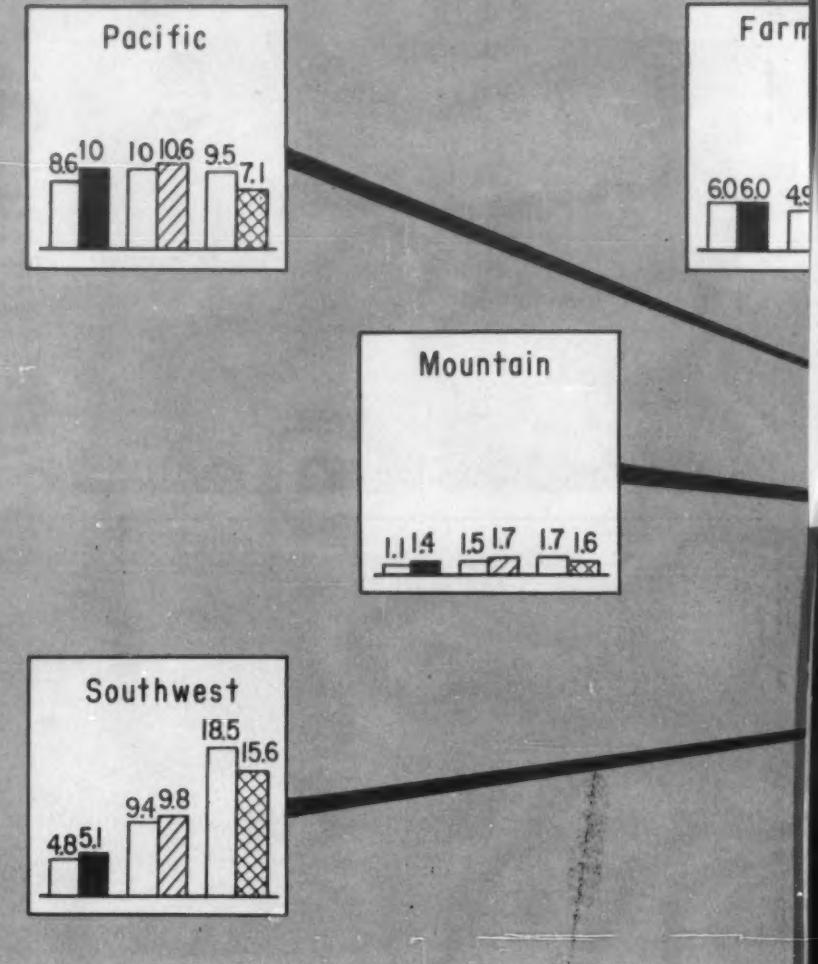
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When Your Suppliers Look For Greener Pastures, Here Is Where They Find Them

Pace of Migration May Finally Be Slowing But
Industry Still Looks to the East and South

The charts above and below constitute the latest edition of the changing U.S. industrial map. They reveal the new turns in the routes being followed by American industry in its dramatic postwar migration from the East.

It is now apparent that the three Pacific states, whose surge up the scale of industrial importance was accelerated by World War II, are challenging the South Atlantic states as the third most important industrial area of the



United States. The South Atlantic area, while also racking up impressive gains, retains third position behind the Midwest and East by only a narrow margin. But now two new trends are becoming apparent:

• For the first time since World War II, the pace of industry's westward march is slowing down.

• Industry, while deserting many of the congested cities of the East, nevertheless is attracted by the growing cities of the West and South.

These industrial guideposts are underscored by the McGraw-Hill Department of Economics in a survey of the last five years of industrial migration. They carry significance for purchasing men because their endless search for new supply sources has been complicated and accelerated by the last decade and a half of reshuffling and relocation of American industry.

In its search for greener pastures, industry has followed pretty closely the route of its ultimate consumers. That's why Western and Southern states have been growing steadily at the expense of the traditional Eastern and Midwestern manufacturing centers.

The years between 1947 and 1954 (dates of previous McGraw-Hill surveys) saw broad acceleration of the cross-country march that started during the war. But now this industrial restlessness shows signs of quieting.

In New England and the Middle Atlantic states, plant location has been switching from the cities to the suburbs. In contrast, cities in the South and West are gaining new industry at a booming rate (see chart, right).

Limited space is stunting the growth of the big Eastern industrial cities; but where they have ample room for industrial expansion, cities still attract new plants—especially the small and medium size municipalities of the West and South.

As indicated above, industry is on the march because people are. But whether dictated by a computer's scientific recommendations or the whim of company executives, plant relocations are influenced basically by the force of consumer markets. Transportation, power, and raw material sources no longer exert the restrictive influence on plant location that they did in the early days of U. S. industrialization.

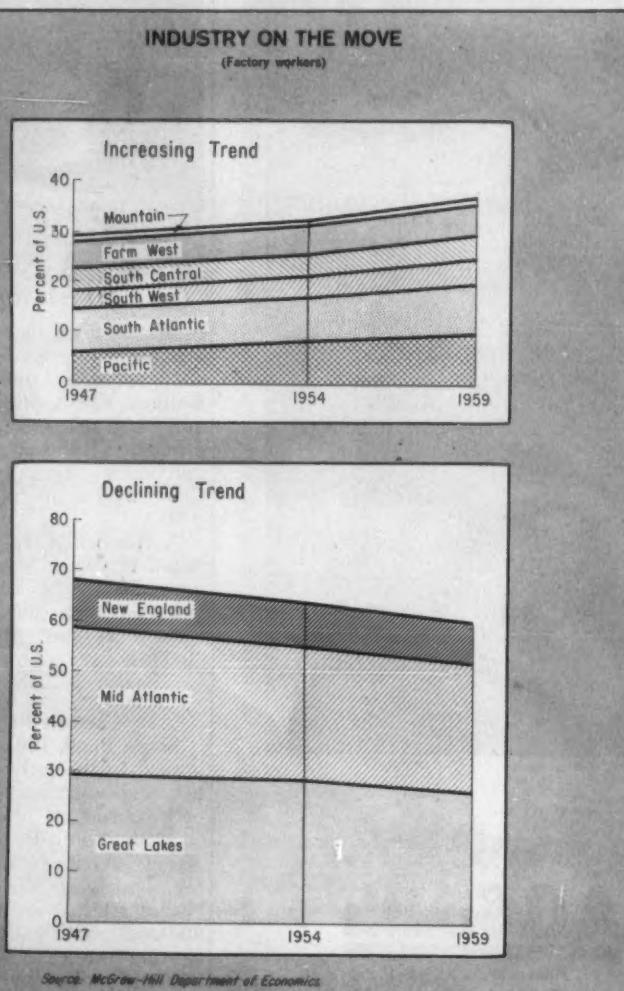
Three major yardsticks measure the impact of industrial migration on the relative importance of regions:

• **Manufacturing employment** statistics indicate that the Middle Atlantic and Great Lakes states are losing ground (although the Great Lakes states still comprise the nation's most important industrial region).

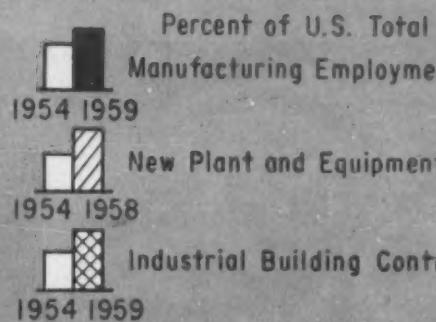
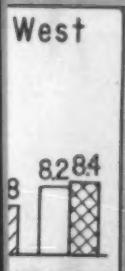
• **Capital expenditure** figures confirm a drop for the Great Lakes area, but indicate that the New England and Middle Atlantic regions increased their shares of total capital spending in the past five years.

• **Industrial building contracts** indicate big gains for the South Atlantic and South Central regions. New England and Middle Atlantic states have been heavy losers.

Each region includes many separate industries of which only a handful are normally in transition. While some industries wane in importance, others may be waxing—so the net effect on an entire region is usually small.



EXPANDING CITIES: Unlike the East, the rapidly growing cities of the South and West are growing in industry.

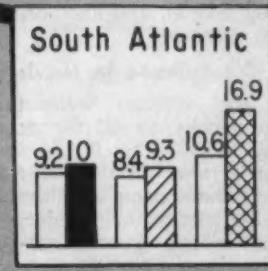
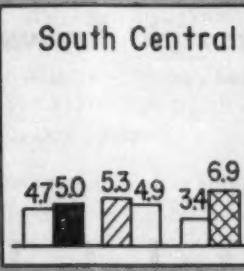
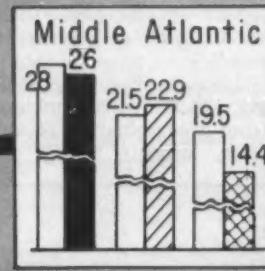
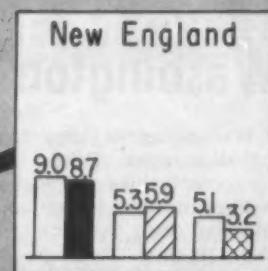
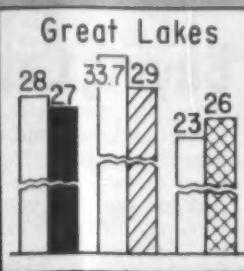


1954 1959

1954 1958

1954 1959

1954 1959



But individual industries, in only a few years, can be born and grow to substantial size within a region. On the other hand, existing industries can dwindle drastically even within a five-year period, the time covered in the McGraw-Hill study.

So where do we go from here? The industrial map of the United States will continue to change. But on balance, it appears that the years ahead are likely to bring only modest shifts in regional shares of industry.

Still to be weighed are the St. Lawrence Seaway's impact on industrial migration. The new Federal-State highway program also will be a factor—as will the expanding fleets of jet cargo carriers.

Here's a look at how the various regions stack up in relative importance on the basis of performance in the past five years:

NEW ENGLAND

After deteriorating for 50 years, New England's industrial stature is holding its own. Between 1947 and 1954, factory employment in the New England states declined 6%, and not one state bucked the general trend. But, in 1959, New England's factory employment was a shade higher than in 1954.

But despite this modest display of renewed vigor, there seems little chance of an all-out industrial boom ahead. One reason factory jobs held up well during the past five years is that older industries had already deserted New England. In addition, the faster tempo of the cold war has brought new industries, particularly electronics, to the area because of its research universities.

But consumer markets are not growing as rapidly as in other areas; transportation is relatively costly and slow, and New England has few industrial raw materials. Without one or more of these advantages, New England's industrial growth seems unlikely to accelerate in the near future.

MIDDLE ATLANTIC STATES

This area continues to drop behind. Five years ago it provided 28% of the nation's factory employment; now it provides only 26.8%. The number of factory workers in the region—New York, New Jersey, Pennsylvania, Maryland, Delaware and the District of Columbia—declined despite substantial gains by individual industries such as electrical machinery, chemicals, and ship-building.

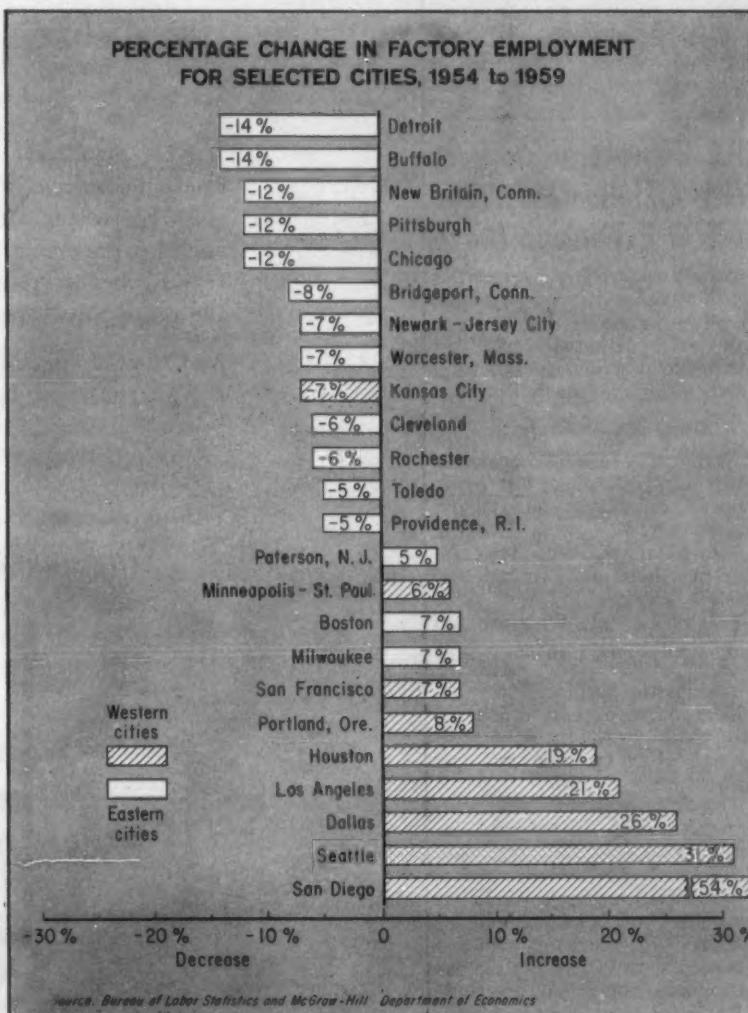
One reason behind the decline is the fact that Middle Atlantic industrial output is concentrated in primary metals, heavy manufacturing, and textiles. These industries are unlikely to see much more than average growth in the years ahead; therefore, it is reasonable to anticipate a continued decline for the region that once was the country's top industrial area.

SOUTH ATLANTIC STATES

This region is steadily increasing its industrial importance. All three economic yardsticks confirm vigorous growth between 1954 and 1959, and present indications are that growth will continue.

In the immediate postwar period, 1947 to 1954, expansion in soft goods lines, particularly textile mill products and apparel, helped push the region ahead. Soft goods manufacturing still dominates, but now the real growth is in hard goods. Metal fabricating employment is up 35% in the last five years and electrical machinery employment rose 40% in the same period. By contrast, textile mills employed fewer workers in 1959 than in 1954.

(Turn to page 32)



FACTORY EMPLOYMENT: The number of workers on plant payrolls helps measure a region's industrial prominence.

Washington P.A.'s Get Tips on Buying Castings

Washington—Three experts led Washington P.A.'s through the complexities of the metal castings business in two hours of intensive study last week. Their goal: to find ways of saving money on the purchasing of castings.

The session was one of a series of eight special meetings being sponsored by the Purchasing Agents Assn. of Washington, D. C., to give P.A.'s some insights in value analysis and help them become familiar with some of the new and exotic materials with which P.A.'s must deal these days.

Previous sessions dealt with capacitors and federal government contract writing. Still to come are seminars on transistors, diodes, laminates and printed circuit boards, and another session on contracts.

Tailored to Needs

The subjects were tailored specifically to fill the needs of Washington-area P.A.'s, most of whom work for research and development companies that draw a big part of their business from the federal government—either directly or indirectly.

A result of the seminars could be important to taxpayers everywhere: savings to the government in contract costs.

At last week's session, P.A.'s heard Sigdon Eliot and Lester W. Gott of Shell Cast Corp., Wallingford, Conn., and George Main of Arwood Corp., New York City.

Eliot and Gott discussed shell casting done by their company; Main talked of Arwood's "investment casting" method.

"The shape is what makes investment casting worthwhile. If you want to cast in iron and it's good enough, you don't need investment casting," said Main. Investment casting is a process in which only one original metal die

is made and castings are patterned after it through a process using wax and a porcelain substance.

Specifications Are Costly

Another tip from Main: "Be sure your engineers know what they want and aren't asking for tighter specifications than they need. Specifications are expensive."

Eliot, in discussing shell casting, which involves making molds from a combination of sand and resin, echoed Main's warning

about expensive and unnecessary specifications. "Specifications cost money and every time you ask for something you don't need, you pay for it," he said.

Charles Emmert, P.A. for ACF Electronics Div. of ACF Industries, Inc., is chairman of the Washington purchasing agents committee which is arranging the series of seminars. Companies who will send technicians to help P.A.'s at future sessions include Texas Instrument, Transitron, Spaulding, and ACF Electronics.



NORTHEASTERN PENNSYLVANIA ASSN. members visited Consolidated Molded Products Co. plant, Scranton, Nov. 29: (front, L-R) W. Hughes, D. Blackburn, G. Malosh, T. White, J. M. Lewis; (rear) W. Golden, A. Anderson, G. Schneider, H. Anivert, J. Brandamore.

Select the right diamond for your grinding wheels . . .

Helpful Specification Data About New Natural Diamonds

Value Analysis—A key word among knowledgeable professional purchasing men—has a *new and special significance* when decisions to purchase diamond wheels are under consideration.

A New Significance because the recent introduction of specially developed natural diamond grits possessing unique qualities particularly suited to specific grinding conditions and applications means greatly increased production for the same dollar spent on a diamond wheel.

And Special Significance because even though the purchaser of diamond wheels or tools may

never buy even a single carat of diamond directly, he should know which of the specially developed new natural diamond grits is most suitable for the wheels he intends to purchase. And, he will want to know whether that particular diamond grit, or another, is best suited to the product or process for which the wheels he purchases will be used.

the new diamond grits

From Engelhard Hanovia, Inc., the largest U.S. source of natural industrial diamonds, four distinctly different types of diamond grit are now available to diamond grinding wheel manufacturers.

REA Express Signs Pact With Oklahoma Trucker In New Expansion Move

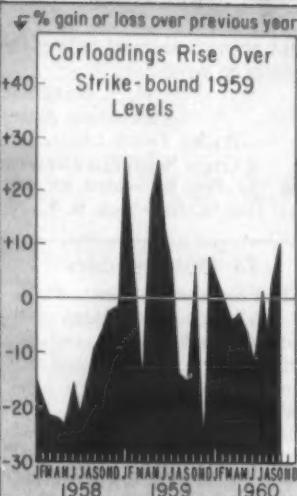
New York—REA Express has signed a new contract with Magic Empire Express of Tulsa which provides expanded domestic and international service to and from eight Oklahoma towns.

Daily Pickup Service

Under the new arrangement, which went into effect last week, express customers at Bixby, Broken Arrow, Coweta, Haskell, Pryor, Skiatook, Wagoner, and Yale now have daily pickup and delivery service.

Previously, only Wagoner and Pryor had local express vehicle service, while Bixby, Haskell, and Skiatook had been without a local REA express office for some time. Formerly REA service had been by both rail and truck.

The improved line-haul routing, the added pickup and delivery service, and the extension of direct service to more points is part of a continuing REA improvement program, said Glenn C. Lace, REA western regional vice-president. It typifies the extensive and increasingly more efficient coordination and integration of all modes of transport by the express company, he pointed out.



P/W TRANSPORTATION MEMOS

Lobbying push: The railroad industry has stepped up its campaign to get favorable legislation on two main issues—piggybacking and common ownership.

Sparking the renewed drive are impending developments on these two separate fronts:

- Key ICC decisions that may decide the fate of piggybacking are up for review.

- The approaching deadline for a Senate probe of transportation problems. The report, complete with recommendations, is expected to be put before the new Congress by Jan. 31.

Supporting the industry campaign, the American Assn. of Railroads filed a brief in support of current piggyback plans and, simultaneously, the president of the Assn. of Western Railways argued the case for common ownership before the ICC practitioners.

The AAR said piggybacking is "a wholly desirable and

economical tool of transportation" and should not be stifled by other legislation or government regulation.

C. R. Roddewig, AWR president, charged motor carriers, barge lines, and airlines with forming "a common front to keep the railroads in a very tight regulatory straight jacket."

Agency Shake-Up: Look for a new code of ethics to be set up for regulatory agencies as part of the revision of "independent" agencies under the Kennedy Administration. The recommendation is expected to be offered in a report to the President-elect this week by James M. Landis.

Landis also is expected to recommend measures for streamlining agency procedures and, at the same time, insuring that the agencies are following the new Administration policy line.

Cost Aid: With the boom in private carriage, a major truck manufacturer is offering assistance to operators in their analysis of truck costs. International Harvester Co. is making available cost record books and forms for daily driver reports. Forms are available from R. C. Burns, manager of motor truck sales, 180 N. Michigan Blvd., Chicago.

Wanted: One piggyback plan— Based on a recent survey, shippers favor a one-plan piggyback system by 3 to 1. Railroads now offer five different plans and two for shipper trailers. It has been suggested that these five plans be consolidated into one program.

Air Cargo Boom: Freight flown by U.S. scheduled airlines totaled 164,339,000 ton-miles in the third quarter, up 8.8% from the same period of 1959. The Air Transport Assn. reports for the first nine months of 1960, the total haul was 466,264,000 ton-miles, up 9.4% over 1959.

Protest Hikes: Because of the strong fight shippers are putting up against railroads' proposal for heavy pick up and delivery charges, it is expected that the ICC will suspend the rates schedule to go into effect this month and hold an investigation.

Truckers fight back: Private carriers, vexed at the accusation that highway safety is hampered by lack of data about their operations, are fighting back attempts at registration with a charge that greater ICC enforcement not regulation is the answer. Private carrier spokesmen say they fear the pending Senate transportation policy report may recommend federal registering of all trucks over 26,000 lb. and prohibit hauling exempt agricultural commodities.

Whistlestops: A hydrofoil vessel will begin service this month between Bellingham, Wash., and Victoria, B. C. It will carry 60 passengers at speeds between 30 mph. and 40 mph. . . . The C & O reported that November profits totaled \$3.3-million. . . . **Ringsby Truck Lines, Inc.**, has bought Arizona-Pacific Tank Lines, Inc., bulk liquid hauler based in Compton, Calif. . . . The ICC has granted permanent authority to Road Express, Inc., to operate between Texas and Alabama. . . . **Pullman-Standard**, a division of Pullman, Inc. is shutting down its Michigan City, Ind., freight car building plant because of lack of orders. . . . **United Airlines** and **Interstate Motor Lines, Inc.**, have formed a coordinated truck-air link joining major cities in Idaho, Nevada, and eastern Oregon to other U.S. points.

The First is conventional grit which may be obtained in 15 different mesh sizes ranging from 16/20 to 325/400. This is the natural diamond grit with which wheel manufacturers and users have long been familiar.

The Second is a new grit developed especially for resinoid bond grinding wheels for maximum efficiency on carbide grinding. Called SND-RB (Needle), this new grit consists mainly of needle and plate shaped particles (the designation SND means Selected Natural Diamonds). Selection of these shapes for carbide grinding with resinoid bond wheels is advantageous because these predominantly elongated diamond particles possess more sharp cutting edges per carat. Their shape provides better bond holding characteristics and superior friability. As their edges become dulled from wear, they break off and continually present new sharp edges while the bulk of the grit is retained in the bond where it continues its abrasive action. SND-RB (Needle) is available in three sizes: Coarse, 80/120 mesh; Medium, 120/200 mesh; and Fine, 200/325 mesh.

The Third—This predominantly needle-shape grit is also available as a specially processed

the supplier's role

Diamond Wheel manufacturers and distributors can furnish even more specific details regarding the variety of new natural diamond grits now available to value-conscious diamond wheel users.

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Engelhard Hanovia, Inc. provides a new and complete technical information service. Our Technical Publications will be sent you without obligation. Simply send us your name, title and company address.



Evaluation Studies of diamond grinding wheels should include these new value potentials. Call your diamond wheel manufacturer or distributor today; the benefits from this new family of Selected Natural Diamonds can be yours now.

diamond experience

A staff of technical men with natural diamond experience and backgrounds are ready to consult with you on any diamond problem. These trained engineers are located in field offices in major U.S. metalworking centers.

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Follow-Up: Letters and Comment

Brand Names

Lansing, Mich.
In the article "Government P.A. Blasts Brand Names for Drugs" (PW, Nov. 7, '60, p. 17), you quote a Washington procurement officer, R. G. Wessel as "blasting" manufacturers because of their use of brand names.

In the third paragraph, Mr. Wessel is quoted as using tetracycline as an example of more than one producer using different names for the same drugs and he has listed the following drugs as being identical: aureomycin, erythromycin, achromycin.

Mr. Wessel has said these three items are brand names.

Erythromycin is the generic name of a drug marketed by Lilly Co. as "Ilotycin," by Abbott Co. as "Erythrocin," and by Upjohn Co. as "Erythromycin." With regard to this item alone, it is interesting to note that the products offered by the Lilly Co. and the Upjohn Co. are chemically identical, while the Abbott product differs in that it is erythromycin stearate.

Aureomycin is the brand name owned by the Lederle Laboratories for a drug known generically as chlortetracycline hydrochloride. Achromycin is also a brand name owned by Lederle for tetracycline hydrochloride.

The three drugs he has mentioned are not the same; they are as different as sodium chloride is from calcium chloride.

Misinformation such as this reflects upon the integrity of pharmaceutical industry and for this very reason the State of Michigan

requires its buyer of such materials be a registered pharmacist.

James L. Hall
Buyer

Purchasing Division
Department of Administration
State of Michigan

• Sorry, but we simply reported on Mr. Wessel's talk as he gave it.

Spray Guns

Jackson, Miss.

In your Nov. 14 issue, you listed an item under your "This

Week's Product Perspective" (p. 31) which was headed:

"Spray guns able to handle two-part formulas (epoxies, foams, etc.) are getting increasingly flexible and cheaper in price. With the new units it's a minor job to change the resin-to-catalyst ratio to handle a variety of materials with the same gun. Equipment is available to handle formulas with a setting time as low as two seconds."

Whom may we contact to obtain additional information on this equipment.

B. J. Young
Purchasing Agent

Catafote Corp.

• The following manufacturers

supply this type of equipment and one should be able to meet your specifications:

Binks Mfg. Co., 3114-44 Carroll Ave., Chicago 12, Ill.; DeVilbiss Co., 296 Phillips Ave., Toledo 1, Ohio; Gray Co., Inc., 51 Eleventh Ave., N.E., Minneapolis 13, Minn.

would appreciate your telling me to whom to write.

M. F. Hoagland

Purchasing Agent

Ryder Truck Lines, Inc.

Great Southern Division

• The firm is located at: 42 West 15th St., New York, N.Y.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," PURCHASING WEEK, 330 W. 42nd St., New York 36.

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Radio Specialties & Appl. Corp.
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UN 1-2434

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Airtonic Sales, Inc.
KIMBERLY 5-9441

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Santa Monica Radio Parts Corp.
Exbrook 3-8231

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Goddard Distributors, Inc.
TEMple 3-5701

Illinois
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Allied Radio Corporation
HAYmarket 1-6800

Newark Electronics Corp.
STATE 2-2944

Indiana
Indianapolis
Graham Electronics Supply Inc.
McElrose 4-8486

Maryland
Baltimore
Wholesale Radio Parts Co., Inc.
MULberry 5-2134

Massachusetts
Boston
Cramer Electronics, Inc.
COpley 7-4700

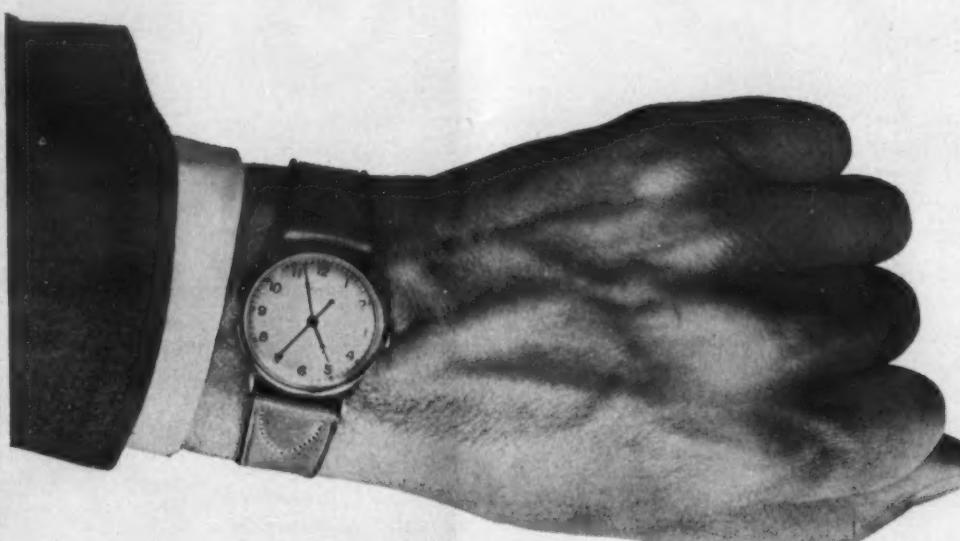
DeMambro Radio Supply Co., Inc.
AL 4-9000

Graybar Electric Co.
HUBbard 2-9320

Lafayette Radio Corp. of Mass.
HUBbard 2-7850

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Ferguson Electronics, Inc.
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The LAW and YOU

POSITIVE ACTION

A buyer must act affirmatively to become committed to a contract—by either signing it, accepting terms verbally, or in some way indicating agreement to buy the merchandise and pay the price. By the same token, you sometimes are committed to continue to accept merchandise or a service until you do something affirmative to cancel the agreement.

This can happen where goods are to be shipped periodically in installments until notice by the purchaser to discontinue further shipment. Buyer is liable to seller for payment for all goods delivered until such date as he discontinues the purchase by giving notice to the seller.

A recent Georgia case illustrates type. Buyer signed a contract under which he agreed to subscribe—until he gave notice of discontinuance—for new pages to be issued periodically to keep a book up to date. Finally he wanted to cancel but gave no notice to the seller to discontinue sending the new pages. The Georgia court held him liable for the sales price of the pages.

(W. F. Prior, Inc. v. G. S. Pilcher, Court of Appeals of Georgia, 115 S.E. 2d 595, 7/11/60).

LIMITING LIABILITY

The party who breaks a contract generally is liable for foreseeable damages resulting from the breach. However, the contracting parties may set the limit on damages in the contract.

Take this case: A company's bid for Air Force surplus aircraft was accepted "pending Department of Justice clearance." Subsequently, the firm was informed that all offers were rejected, that the sale was cancelled, and its \$13,035 deposit was being returned.

The firm appealed to the Armed Services Board of Contract Appeals asking for specific performance of the contract or \$135,000 in damages.

The government contended that Department of Justice clearance was never issued and consequently no contract ever came into existence. But the Board, while finding for the government, passed by the contention there was no contract. It assumed for argument's sake that there was a valid contract in existence with all the clauses contemplated by the invitation to bid. One of the clauses was:

Mississippi—Jackson
Ellington Radio, Inc.
FL 3-2769
Missouri
Kansas City
Burstein-Applebee Company
Baltimore 1-1155
St. Louis
Graybar Electric Company
Jefferson 1-4700
New Hampshire—Concord
Evans Radio
Capital 5-3358
New Jersey
Camden
General Radio Supply Co.
WO 4-8560 (in Phila.: WA 2-7037)
New Mexico
Albuquerque
Radio Specialties Company, Inc.
Hermock 7-0307
Albuquerque
Radio Specialties Company, Inc.
AM 8-3901
New York
Binghamton
Stack Industrial Electronics, Inc.
RA 3-6326
Buffalo
Genesee Radio & Parts Co., Inc.
Delaware 9661
Wehle Electronics Inc.
TL 4-3270
Elmira
Stack Industrial Electronics, Inc.
RE 3-6513
Ithaca
Stack Industrial Electronics, Inc.
Ithaca 2-3221
Mineola, Long Island
Arrow Electronics, Inc.
Pioneer 6-8686
New York City
H. L. Davis, Inc.
EMpire 1-1100
Milo Electronics Corporation
Bekman 3-2980
Sun Radio & Electronics Co., Inc.
ORegon 5-8600
Terminal Electronics, Inc.
Chelsea 3-5200
Ohio
Cincinnati
United Radio Inc.
CHerry 1-6530
Cleveland
Main Line Cleveland, Inc.
EXPRESS 1-4944
Pioneer Electronic Supply Co.
SUPERior 1-9411
Columbus
Buckeye Electronic Distributors, Inc.
CA 8-3265
Dayton
Srepco, Inc.
BALDWIN 4-3871
Oklahoma—Tulsa
S & S Radio Supply
LU 2-7173
Oregon—Portland
Lou Johnson Company, Inc.
CAPitol 2-9551
Pennsylvania
Philadelphia
Almo Radio Company
WAtnut 2-5918
Radio Electric Service Co.
WAtnut 5-5840
Pittsburgh
Marks Parts Company
FAirfax 1-3700
Reading
The George D. Barber Co., Inc.
FR 6-7451
Tennessee
Knoxville
Boudrant Brothers Company
3-9144
Texas
Dallas
Graybar Electric Company
Riverside 2-6451
Houston
Busacker Electronic Equipment Co.
JACKSON 6-4661
Harrison Equipment Company
CAPitol 4-9131
Utah—Salt Lake City
Standard Supply Company
EL 5-2971
Virginia—Norfolk
Priest Electronics
MA 7-4534
Washington—Seattle
Western Electronic Company
AT 4-0200
West Virginia—Bluefield
Meyers Electronics, Inc.
DAvenport 5-9151

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322 Penn St., Manheim, Penna.

"LIMITATIONS OF GOVERNMENT LIABILITY: In any case where liability of the government to the purchaser has been established, the extreme measure of the Government's liability shall not, in any event, exceed refund of the purchase price or such portion thereof as the government may have received."

The Board ruled that the Air Force merely had to return the deposit. (ASBCA No. 5995, Air Force Appeals Panel, June 17, 1960. Contract No. AF02 (617)-5-39).

TAKING THE SELLER'S WORD

Buyers frequently rely on seller's statement as to the content of unopened packages. But can a buyer rely on these representations of contents when he fails to inspect? The U. S. Court of Appeals holds that he can.

A court case illustrating this point involved materials packed in more than 95 kegs, which contained about 200,000 separate pieces. Because it would take about two weeks to tally all the pieces, the seller induced the buyer not to inspect the materials by assuring him that the material was there "as per list." But the buyer eventually discovered the fittings delivered failed to conform to the listings by a wide margin.

When the buyer sued, the court held the warranty was not negated by his failure to inspect because he was influenced by the assurances of the seller. (Atlantic Motor Products Co. v. Berg Manufacturing & Sales Co., U. S. Ct. of Appeals, Seventh Circuit, 279 F. 2d 904, 6/27/50).

GETTING WHAT YOU BUY

When and if an opportunity is provided to inspect an item before you bid on it, you ordinarily take it as it is. When the defects can be detected by inspection—the seller is under no obligation to pay for or replace missing parts if he gives no warranties (express or implied).

In a recent case, however, the Armed Services Board of Contract Appeals ruled that the government (seller) had to make good for missing parts on a machine it sold to a successful bidder.

S & S Machinery Co. bought a boring mill owned by the government and located at the plant of a former government subcontractor. After S & S took delivery, it found that several parts were missing. It was informed by the government that the missing parts were owned by the subcontractor and did not go with the machine. S & S appealed to the Board of Contract Appeals.

The Board rejected the Government's contention that S & S could not recover because it had an opportunity to inspect the machine before it purchased it and failed to do so. "What is material," the Board said, "is that the contractor did not get what it bought."

(ASBCA No. 5707, Army Appeals Panel, 7/7/60. Contract No. 11-022-556-11).

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)



From the modern, streamlined Starrett hacksaw and band saw plant comes a full line of precision-made band saws, band knives, hacksaws and hole saws. You can buy them with complete confidence through the same nearby Industrial Supply Distributor who sells you the many other fine products that carry the Starrett name. Write for complete Catalog No. 27. Address Dept. PW, The L. S. Starrett Company, Athol, Mass., U. S. A.

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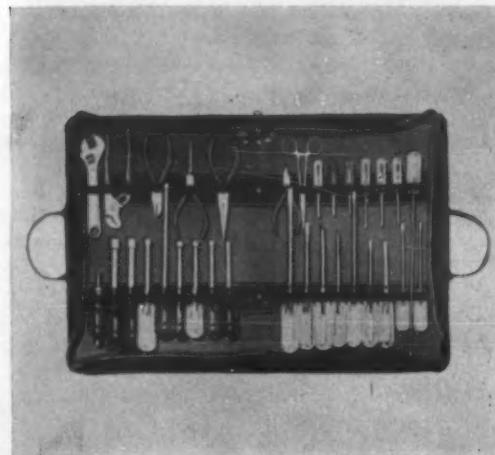
Hand Truck

Converts to Drain Rack

Combination truck and drain rack handles drums of solvents, cutting oils, and detergents. Sliding steel fingers on detachable handles engage the top rim of drum for easy loading. Laying rack on floor gives convenient draining. Handles fit variety of models.

Price: \$53.20 to \$80.90. Delivery: immediate.

Palmer-Shile Co., 15997 Fullerton, Detroit 27, Mich. (PW, 12/12/60)



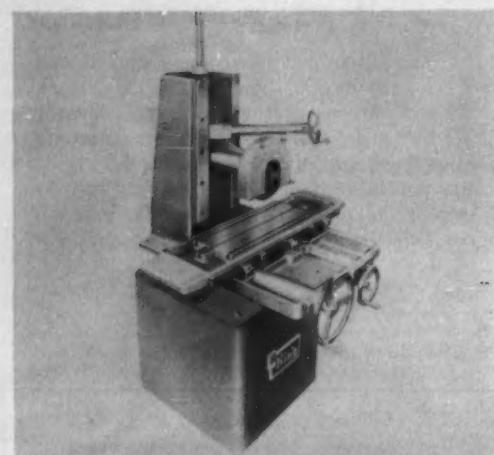
Tool Case

Carries Up to 40 Items

Top grain leather case with 40-tool capacity will carry almost every hand tool needed for electronic, radio, and TV repairs. Leather tongs hold tools in place. Felt-type lining protects tool finishes and handles. Available in black or brown.

Price: \$19.95. Delivery: 1 wk.

Xcelite, Inc., Orchard Park, N. Y. (PW, 12/12/60)



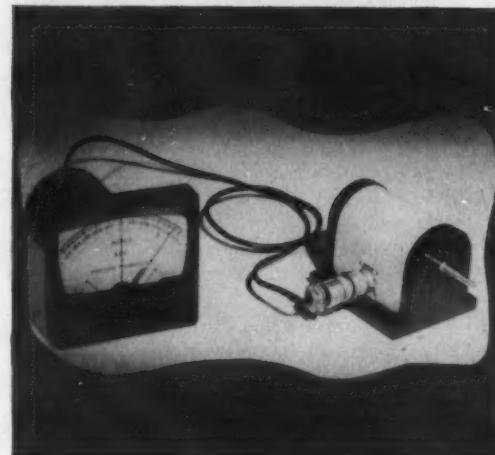
Surface Grinder

Has Large Work Surface

Machine for wet or dry grinding has longitudinal table travel of 20 in. and a 14-in. cross feed. Grinding wheel diameter of 12 in. gives 15-in. vertical table clearance. Table has a 10-in. x 20-in. working surface for wet grinding. Magnetic chucks are available.

Price: \$2,195. Delivery: immediate.

King Machine & Mfg. Co., 1171 East 32nd St., Los Angeles 11, Calif. (PW, 12/12/60)



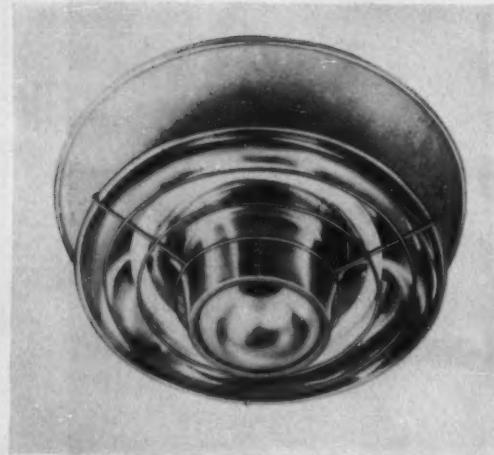
Transducer

Gives Linear Positions

Transducer measures deviations of a few thousandths of an inch. Linear position is converted to a signal that reads directly on a meter. Transducer may be connected to a meter-relay for direct operation control.

Price: \$105 (with meter) to approx. \$225 (meter-relay). Delivery: 10 wk.

Assembly Products, Inc., Chesterland, Ohio. (PW, 12/12/60)



Heater

Pinpoints Infrared Rays

Unit's circular quartz heat element focuses rays for high efficiency. Surface-mounted heater-lighting fixture reaches top temperature (1,800 F) in 1 min. Base aluminum metal, plated and polished to mirror finish, is then plated with 24K gold. Unit takes 800 watts at 120 v.

Price: \$49.95. Delivery: immediate.

Infrared Corp of America, Westbury, N. Y. (PW, 12/12/60)



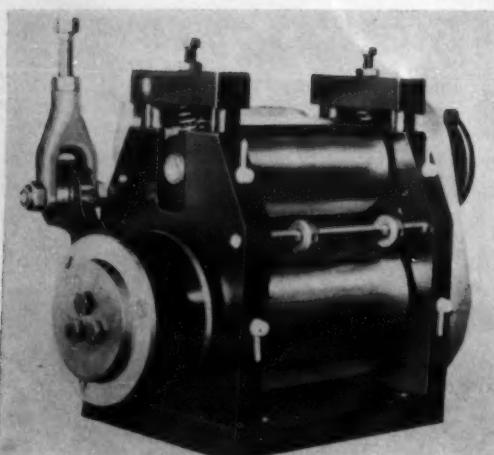
Welder

Operates Remotely

A.c. welder comes in 230 v. and 460 v. models. Unit has fully rated duty cycles: 40% at 200 amp. or 30% at 295 amp. Gas and water valves are electrically controlled, and operation is direct or remote. Welder has high-frequency intensity control.

Price: \$450 (230 v.) and \$465. Delivery: immediate.

Emerson Electric Mfg. Co., 8100 Florissant Ave., St. Louis 36, Mo. (PW, 12/12/60)



Roll Feed

Has High Accuracy

Models are equipped with rollers to handle either 3-in., 5-in., 7-in., or 9-in. widths. All feed up to 3 1/2 in. in length with an accuracy of $\pm .005$ in. Roller pressure is adjustable, and reversible clutch gives feeding in either direction.

Price: \$390 (3-in. width) to \$570 (9-in.). Delivery: 1 wk. to 10 days.

Benchmaster Mfg. Co., 1835 W. Rosecrans Ave., Gardena, Calif. (PW, 12/12/60)



Handle

Fits Aerosol Cans

Metal-and-plastic handle converts aerosol cans to spray guns. Handle attaches in seconds and gives positive directional control. Trigger action eliminates hand fatigue, maintains even spray application, and keeps hands clean.

Price: 49¢. Delivery: immediate.

Alfco, Inc., 4950 S. Sepulveda Blvd., Culver City, Calif. (PW, 12/12/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Lettering

Gives Shaded Effect

Self-sticking numbers and letters of contrasting colors give a shading effect with offset positioning. Letters come in yellow, black, or white vinyl, or in aluminum foil, 2-in. or 3-in. high. They are weatherproof, fadeproof, and may be applied to floors.

Price: \$1.50 and \$2.00 per package. Delivery: immediate.

W. H. Brady Co., 727 W. Glendale Ave., Milwaukee, Wis. (PW, 12/12/60)

Surfacing Compound

May Be Varied

Wall and ceiling compound applies plaster and paint in one operation. Mix ratio with water may be varied to produce any texture. Tinting pigments produce colors. Material soundproofs, insulates, and repels dust. It is odorless and non-inflammable. Application is by brush, roller, or spray.

Price: 25¢ per lb. Delivery: immediate.

Faserit of America, 920 N.E. Second Ave., Miami 32, Fla. (PW, 12/12/60)

Carton Coder

Prints Front and Side

Unit attachment for compression sealer codes carton front and side in 1 cycle. Friction between marking head and carton starts action. Drum moves and prints on the face and continues around the edge. It can mark conveyor-carried cartons spaced 6 in. apart.

Price: Approx. \$325. Delivery: 6 wk.

Industrial Marking Equipment Co., Inc., 655 Berri-man St., Brooklyn 8, N. Y. (PW, 12/12/60)

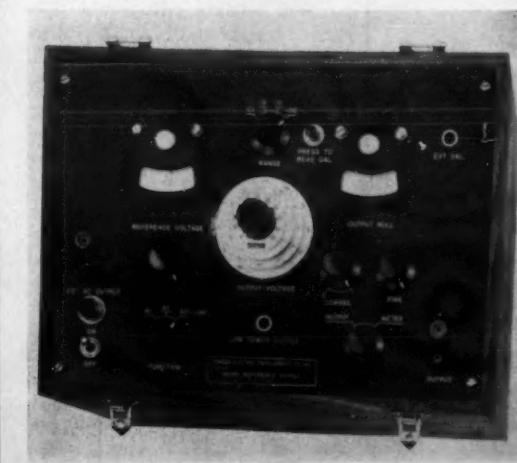
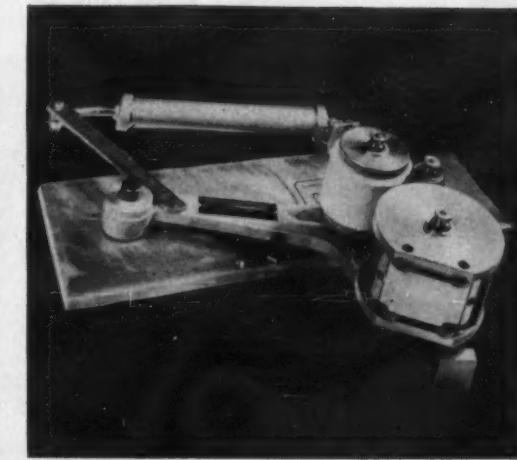
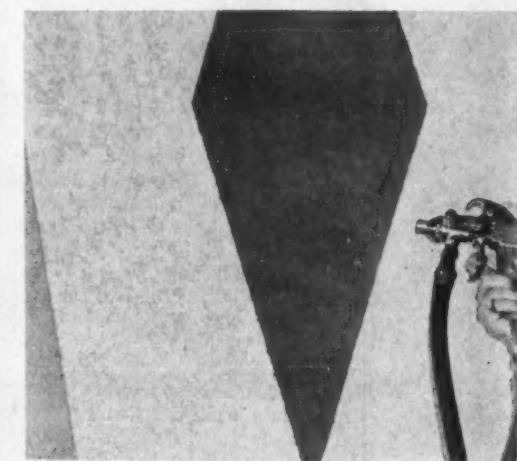
Reference Source

Offers Single Standard

Portable a.c.-d.c. reference source gives single, precise standard for instrument calibration. It may be used for calibrating most a.c.-d.c. voltmeters, as a source of a.c.-d.c. power up to 10 w., as a precise voltmeter in the 0 v. to 100 v. range, and as a general source of voltage.

Price: \$495. Delivery: 2 to 3 wk.

Tensor Electric Development Co., Inc., 1873 Eastern Pkwy., Brooklyn 33, N. Y. (PW, 12/12/60)



This Week's

Product Perspective

DECEMBER 12-18

• **MACHINES** are about to take over another business chore—reading routine typed documents. Hardware coming on the market is expensive and designed for certain specific jobs—but it nevertheless means opening of a whole new era in data processing.

Farrington Mfg. Co. has had an optical reader on the market for over a year—now both IBM and National Cash Register Co. are getting into the act. IBM's 1418 optical scanner works in conjunction with a 1401 computer.

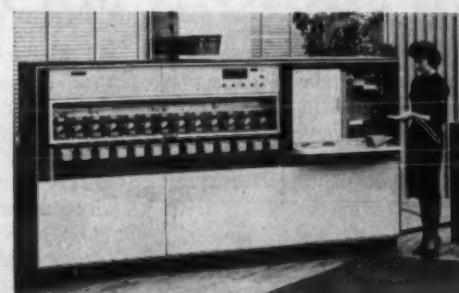
IBM's system reads type-written information (maximum of two lines presently) from a card-sized document—utility bill or salescheck, for example. The unit then tells the computer what numerical information the document contained and the computer uses this to update accounts, issue new bills, or perform any other related task. NCR's unit specializes in reading paper tapes from a cash register.

• The two major sources of printed documents for the system are output from other data processing equipment and imprints from credit cards. Forms, such as bills prepared by other EDP units, become automatic re-entries when returned by the customer and fed through the optical scanner. Provision is made to enter special information—such as partial payments, at this time. A credit card imprint—with amounts added by hand—makes billing automatic.

The optical scanner is a first-cousin to the magnetic character check reading equipment now going into banks across the country. Reading type-written print is more difficult than reading the magnetic characters, and the optical system costs about 30% more.

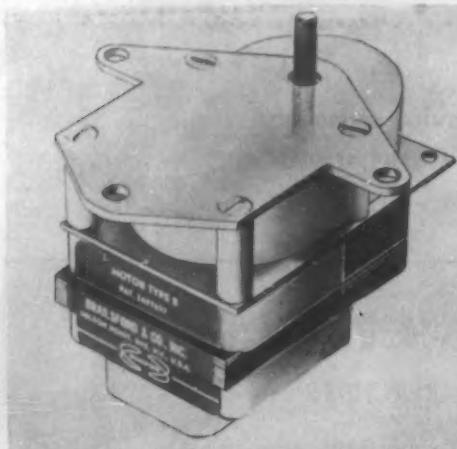
SINCE THE MACHINE works very fast—up to 400 documents a minute—it only can be used economically when there's a huge volume to process. Major uses will be in four fields: insurance, utility, retail, and government. Here are some typical jobs: **insurance**—premium payments and paid claims; **utility**—customer accounting and meter reading transcription; **retail**—billing, accounts receivable; **government**—compensation payments, registration and licensing, tax accounting; **finance**—installment loan accounting.

• Scanners can't read all kinds of type. IBM's unit can recognize only the specific style used on many IBM accounting machines, (407, 408, 409 and 1403), electric typewriters and credit card plates. It's a difficult and costly (in six-figure range) job to teach the machine to read other styles. The American Standards Assn. currently is drawing up specifications for a standard type to be used with optical reading equipment and all business machine and scanning equipment-makers eventually will adopt this style. But standardization is still a long way off.



IBM 1418 reader with 13 sorting pockets.

MONTHLY RENTALS for 1418 are: \$2600 (3 sorting pockets and \$2900 (13 sorting pockets). A second reading head costs another \$125 a month—and hooking the scanner up to an IBM 1401 computer will add \$100 more to the bill. IBM expects to make its first deliveries in early 1962, while NCR which hasn't yet announced prices, is quoting 18 months on deliveries of its units.

**Motor****Has Special Speeds**

D.C. instrument motor supplies relatively high output torque at low power input levels. It sustains torques of 40 oz./in. at 2 rpm, on power input of 180 mw. 3-oz. motor has standard output speeds to 200 rpm, with special speeds available on order.

Price: \$20. Delivery: 1 wk (sample quantities).

Brailsford & Co., Inc., 670 Milton Rd., Rye, N. Y. (PW, 12/12/60)

**Knives****Cut Trimming Costs**

Low-cost long handled, razor blade knives can be discarded when dull, eliminating downtime for changing or sharpening of blade. Knife is 5 in. long with a 2-in. steel blade. Handle grip increases safety.

Price: \$6 (200 knives). Delivery: immediate.

Edmund Scientific Co., Barrington, N. J. (PW, 12/12/60)



Now you can house both burst and unburst forms—simply, efficiently, at low cost—with

MCBEE MARGIN MASTER "TWINS"

No bursting, hole-punching or stripping required for unburst forms—four posts prevent tearing. No extra punching at all for burst forms—simple transfer bar speeds record removal and filing. Unobstructed visibility right to the inner edge of forms.

All hardware is contained within the covers for neat, convenient shelf filing of your record "library". No protruding posts can mar your office furniture. Flat back allows large, easy-to-read label holder for quick shelf reference. McBee Margin Master "Twins" are the complete answer to housing all your marginally-punched forms.

McBee binders are unconditionally guaranteed for one year. Stock sizes in a great variety of binder styles are maintained for immediate delivery. Call your Royal McBee Data Processing Representative, or mail the coupon for complete information.

ROYAL MCBEE corporation
NEW CONCEPTS IN PRACTICAL OFFICE AUTOMATION

Royal McBee Corporation
Data Processing Division, Port Chester, N. Y.
Please send me complete information on the
MCBEE MARGIN MASTER "TWINS".

NAME _____
COMPANY _____
STREET _____
CITY _____ STATE _____

Product Briefs

Label cement adheres labels to metal, wood, corrugated board, and other materials. It can also coat labels to protect them from water, mildew and other elements. It dries to form water- and scuff-resistant coating, and is available in 55-gallon drums, 5-gallon and 1-gallon containers. **Adhesive Products Corp., 1660 Boone Ave., New York 60, New York.**

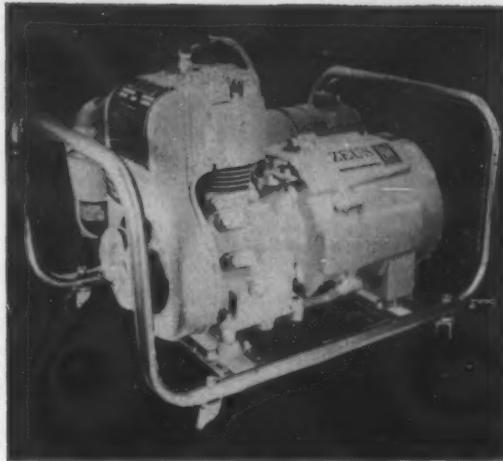
Latching relay with a maximum height of .485 in. lies parallel to the surface of the printed circuit board. This small height permits closer stacking of circuit boards than ever before possible. Coils can be supplied with up to 10,000 ohms resistance per coil at +25 C. **Potter & Brumfield, Princeton, Ind.**

Tape-to-card converter gives rapid data transfer. Circuitry is completely solid state. Basically a block tape reader and decoder, a complete system consists of the Type 55 tape-to-card converter and a standard IBM summary punch. Speed is 100 cards per minute. **Telecomputing Corp., 915 N. Citrus Ave., Los Angeles, Calif.**

Numerical control system for machine tools is designed for short runs. It is integrated into original system and needs no extra floor space. It requires no external programming of tape or cards and enables the setup man to work directly on the piece from the numerical dimensions of the blueprint. **Specialties, Inc., Skunks Misery Rd., Syosset, New York.**

Asbestos cloth, up to and including AA Grade, is currently available in 100-yd. rolls in widths up to 48 in. Modern picking and carding equipment produce exceptionally clean fabric in a full line of plain weave cloth. **Garlock, Inc., 456 Main St., Palmyra, N. Y.**

Flexible shafts are immediately available in sizes from .150 in. to .500 in. in standard lengths. They allow convenient and economical testing of experimental designs, and are suitable for prototype or medium volume requirements. Shafts are designed for high-speed and continuous operation. They are usable in either rotational direction. **W. L. Towne Co., Inc., 10 E. 40th St., New York 16, N. Y.**



Generator

Supplies Portable Power

Electric generator gives packaged power on the job site or in remote locations. It is rated at 3,000 w., 115/230 v., 60-cycle, single phase. Unit operates about 5 hr. of full load running on fuel tank capacity of 2 3/4 gal. It has three power outlets.

Price: \$575. Delivery: immediate.

Borg-Warner Corp., PESCO Products Div., 24700 North Miles Road, Bedford, Ohio. (PW, 12/12/60)



Pliers

Made of Beryllium

Non-sparking safety pliers are made of beryllium copper, which permits sizes smaller than conventional tools. The miniature tools are non-magnetic and non-corrosive. Suited for electrical applications, they are curved needle-nose, duck-bill, long nose, and diagonal cutting types.

Price: \$6.00 to \$6.90. Delivery: immediate.

The Beryllium Corp., P. O. Box 1462, Reading, Pa. (PW, 12/12/60)

Product Briefs

Digital comparator compares two binary or binary coded decimal inputs and gives output positioning commands. Transistorized unit is designed for use in control systems and may be used directly for comparison of contact inputs, voltage vs. contact inputs, or voltage vs. voltage inputs. It operates at ambient temperatures of -49 F to +131 F. *Datex Corp., 1370 S. Myrtle Ave, Monrovia, Calif.*

Epoxy resin gives permanent finish for walls, ceilings, and structural metal leaving a high permanent gloss. It is applied by brush, roller, or spray to wood, plaster, brick, concrete, block, drywall, or metal. Finish is impervious to soaps and detergents and has a high chemical and abrasion resistance. *George E. Fines, Inc., 18640 Wyoming Ave., Detroit 21, Mich.*

Ear plug reduces industrial noises while permitting wearer to hear conversation. About 3/4 in. long, the plastic plugs come in small, medium, and large sizes. They can be cleaned with soap and lukewarm water. *American Optical Co., Safety Products Div., Southbridge, Mass.*

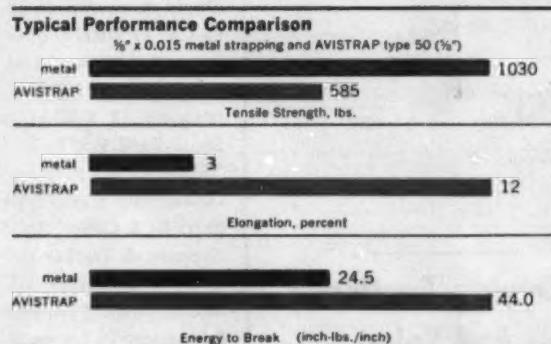
Transmissibility plotter automatically plots on XY recorder the ratio of rms value of two varying ac voltages with respect to a third varying voltage. Voltages from 5 cps. to 5,000 cps. may be plotted. The system is usable to 20,000 cps. where sine voltages are used. *F. L. Moseley Co., 409 N. Fair Oaks Ave., Pasadena, Calif.*

Cleaner is powerful non-ionic detergent and hard water germicide which removes and emulsifies all types of aliphatic hydrocarbon oils and greases. Germicidal ingredient controls bacteria and removes and prevents odors. Non-ionic material reduces static electricity, preventing the attraction of dust by a build-up of such charges. *Alloy Industries Development Corp., 2211 E. Firestone Blvd., Los Angeles 2, Calif.*

Containers for materials handling come in capacities up to 2,500 gal. They can be manufactured with few limitations on size or shape, and equipped with wheels or rollers. The polyethylene containers are easy to clean and chemically resistant. *SinTrex Div., Amos-Thompson Corp., Edinburg, Ind.*

NEW TOUGHNESS

It actually takes more energy to break AVISTRAP cord strapping than to break comparable-width metal strapping. Though metal has greater tensile strength, AVISTRAP—made of high-tenacity Avisco® rayon—has greater "working toughness." Strapping must either extend enough to absorb shock-energy or fail. Metal strap has far less elongation before breaking than AVISTRAP. As a result, AVISTRAP is still stretching, soaking up energy, and holding the package together after a metal strap would have stretched to its breaking point and failed.



Vital statistics. This comparison is the result of careful laboratory tests, using an Instron Tensile Testing Machine. In tests covering metal strapping from 1/8" through 3/4" width and from 0.012 through 0.023 thickness—AVISTRAP outperformed metal in terms of energy to break in every instance.



Toughness pays off here. AVISTRAP can be tightly tensioned without danger of sudden breaks, will not lash out with jagged ends. Strap breakage during handling and shipping is reduced. Other advantages: no sharp edges, light weight, easy handling, easy unpacking.

AVISTRAP* CORD STRAPPING

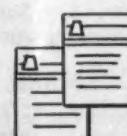
Economy • Local Service • Easy Handling • Reduced Damage • Safety



*Trademark of American Viscose Corporation. Patents Pending.

AMERICAN VISCOSA CORPORATION, INDUSTRIAL PACKAGING DEPT., 1617 PENNSYLVANIA BLVD., PHILA. 3, PA.

District offices: Atlanta, Ga., Boston, Mass., Charlotte, N.C., Chicago, Ill., Columbus, Ohio, Dallas, Tex., Denver, Colo., Los Angeles, Calif., New Orleans, La., New York, N.Y.



Write for technical bulletin #4, covering AVISTRAP cord strapping strength tests. Include any other specific technical questions you may have. If you wish, arrangements can be made to demonstrate AVISTRAP cord strapping in your plant. AVISTRAP

cord strapping, tools, accessories and application services are now available in all major U.S. industrial areas, through authorized local distributors. AVISTRAP district offices are listed below.

P/W REPORTS ON RESALE PRICES

LATEST AUCTION PRICES



SEPTEMBER 15

Auction held at M. W. Kellogg Co., Jersey City, N. J. Auctioneer: Industrial Plants Corp., New York.

(1955) 56-in. Bullard CutMaster Model 75 vertical turret lathe. \$38,000.

King 72-in. vertical boring mill. \$12,000.

King 62-in. vertical boring mill. \$5,500.

DoAll 60-in. bandsaw. \$900.

Marvel 9A hacksaw with feed rack, motor drive. \$500.

Espen Lucas 30-in. cold saw with feed rack. \$175.

Cincinnati Bickford 21-in. upright floor drill. \$1,400.

Walker-Turner sliding head radial drill. \$210.

Pratt & Whitney 2-spindle deephole drill. \$125.

Niles-Bement-Pond 60" x 25' geared head engine lathe. \$1,500.

American 36" x 11' geared head engine lathe. \$6,500.

Lodge & Shipley 27" x 126" geared head engine lathe. \$5,750.

(1950) Monarch 16 x 78-in. geared head lathe. \$5,250.

(1947) Monarch CK 12 x 30-in. toolroom lathe. \$2,950.

Monarch 14 x 30-in. toolroom lathe. \$3,200.

Cincinnati #3 medium-speed dial plain miller. \$2,900.

Brown & Sharpe 3A universal miller. \$1,000.

Cincinnati #2 vertical miller. \$1,600.

Gorton 3L duplicator. \$2,000.

Bethlehem 18' 6" 4-roll plate bending roll. \$7,000.

Bethlehem 20' x 1" plate bending roll. \$4,500.

Pratt & Whitney Model B 12-in. vertical shaper. \$3,250.

(1950) Warner & Swasey 3A saddle turret lathe. \$7,000.

Warner & Swasey 3A turret lathe. \$2,750.

Warner & Swasey No. 4 turret lathe. \$2,600.

(1954) Jones & Lamson No. 5 turret lathe. \$8,500.

Kellogg horn welding machine. \$900.

Kellogg swing type straightline welder. \$3,700.

Two straightline inside seam welders. \$1,700 and \$1,400.

Pines No. 3 hydraulic tube bender. \$2,000.

(1952) Niagara 14' x 5.8" Model 1214 power squaring shear. \$24,000.

Jones & Lamson 14-in. pedestal optical comparator. \$2,100.

NCG Type RS shape cutting machine. \$6,400.

BLH 2000-ton vertical hydraulic bending press (new 1954). \$60,000.

Two 3 x 18 Worthington hydraulic pumps. \$900 each.

(1954) BLH 40-ft. plate edge planer. \$31,000.

Towmotor Model LT35, 2000 lbs. \$1,800.

Clark 2000-lb. gasoline-driven fork truck. \$1,200.

Clarktor No. 30 tractor. \$900.

Seven Cincinnati Bickford 5' 17"-column super service radial drills. \$2,600 to \$4,750.

(1955) Fosdick 5' 15" FosMatic radial drill. \$11,750.

Salt bath heat treating unit—tanks, soak pits, controls. \$450.

4-column hydraulic press, 18-in.-dia ram. \$1,000.

Gemco pipe-facing machine. \$2,400.

Landis 12-in. pipe machine. \$1,950.

NOVEMBER 3

Auction held at Accurate Grinding & Machine Co., Cleveland. Auctioneer: Industrial Plants Corp., New York.

Ex-Cell-O 35L precision thread grinder. \$1,050.

Ex-Cell-O No. 31 precision thread grinder. \$500.

Gallmeyer & Livingston No. 35 8 x 24-in. surface grinder. \$2,750.

Hammond-Footburte 6 x 18-in. surface grinder. \$750.

Arter A3-16 rotary surface grinder. \$750.

Norton 10 x 48-in. plain cylindrical grinder. \$1,300.

Landis 6 x 18-in. plain cylindrical grinder. \$875.

Two Heald 72A internal grinders. \$700 and \$800.

Gallmeyer & Livingston No. 4 tool and cutter grinder. \$250.

DoAll V36 bandsaw and filing machine. \$450.

Johnson metalcutting bandsaw. \$400.

Gould & Eberhardt 24-in. universal shaper. \$3,500.

Ex-Cell-O DB218 double-end Borematic. \$750.

Jones & Lamson 14-in. optical comparator. \$1,600.

Reed Prentice 18 x 54-in. lathe. \$1,800.

Monarch 12 x 30-in. geared head lathe. \$3,250.

South Bend 9 x 24-in. bench lathe. \$400.

Craftsman 10 x 36-in. bench lathe. \$85.

Gisholt No. 5 ram-type turret lathe. \$1,500.

Bardons & Oliver No. 5 turret lathe. \$2,000.

Kearney & Trecker 3H universal miller. \$3,500.

Kearney & Trecker 3H plain miller. \$3,250.

Maserati No. 2 swivelling head vertical miller. \$2,600.

Bridgeport 1/2-hp vertical turret miller. \$600.

Kent Owens No. 1/2 hydraulic manufacturing miller. \$700.

Two Nichols hand mills. \$275 and \$375.

Micromatic hydro honing machine. \$200.

Ingersoll-Rand Type 30 5 x 3 x 3 1/2 air compressor. \$275.

Superior Model J honing machine. \$250.

Leland-Gifford 2LMS 6-spindle upright floor-type drill. \$2,250.

Cincinnati-Bickford 4'11" radial drill. \$25.

Craftsman 16-in. upright floor-type drill. \$80.

Coming Auctions And Sales

DECEMBER 13 and 14

Southern California Cooperative Wind Tunnel, 950 S. Raymond St., Pasadena, Calif.

\$20 MILLION WIND TUNNEL and equipment: Generators up to 1200 kw, fan motors, compressors, transformers to 25,000 kva, motors to 1500 hp, 40,000-hp steel wind tunnel, lab equipment, \$300,000 value modern machine shop, forklifts, office and other equipment.

WRITE, WIRE, PHONE: David Weisz, 840 San Julian St., Los Angeles, Michigan 8005.

DECEMBER 14

Federal Pacific Electric Co., Scranton Division, 888 N. Keyser Ave., Scranton, Pa.

SHEETMETAL, TOOLROOM AND PRODUCTION MACHINERY, plus 165,000-sq-ft of industrial real estate. Presses, boring mills, turret punches, welders, grinders, saws, drills, squaring shears, turret lathes, press brakes, screw machines, millers, paint spray, etc.

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 W. Broadway, New York City. Barclay 7-4184.

NOVEMBER 17

Auction held at Acme Machine Products, Muncie, Ind. Auctioneer: Samuel L. Winternitz & Co., Chicago.

Waterbury-Farrell 5/16-in. double-stroke solid die header, and an Ajax-Houge No. 1 3/8-in. wire drawer. Good condition. \$12,500.

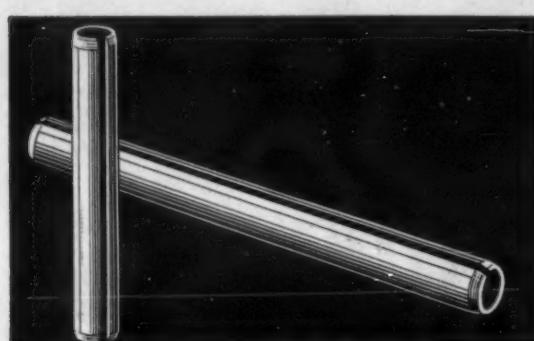
Waterbury-Farrell 5/16-in. double solid die header, and an Ajax-Houge No. 1 3/8-in. wire drawer. Good condition. \$10,000.

Waterbury-Farrell 3/8-in. solid die header, double stroke, and an Ajax-Houge No. 1 3/8-in. wire drawer. Good condition. \$27,500.

Waterbury-Farrell 3/8-in. solid die header, double stroke, and an Ajax-Houge No. 1 3/8-in. wire drawer. Good condition. \$21,000.

Manville 5/8-in. open die header, and an Ajax-Houge No. 3 wire drawer. Good condition. \$10,000.

National 1/2-in. solid die header, double stroke, and an Ajax-Houge 1/2-in. wire drawer. Good condition. \$14,000.



Corrosion-resistant and versatile... SEL-LOK spring pins of stainless steel

- Higher tensile and shear strength
- Complete range of sizes—1/16 x 1/16 through 1/4 x 4 in.—available immediately
- Fast, economical fastening—just drill and drive
- Eliminate costly tapping, reaming, peening, milling
- Lock securely; can be used repeatedly

SEL-LOK spring pins are also stocked in carbon steel (same sizes as stainless) and in beryllium copper in a complete range of sizes from 1/16 x 1/16 through 1/4 x 3 1/2 in. See your authorized distributor or write us for Bulletin 2331 and samples.

INDUSTRIAL FASTENER Division **SPS**

JENKINTOWN 48, PENNSYLVANIA

Pace of Industry's Migration Shows Signs of Slowing Up

(Continued from page 21)

GREAT LAKES STATES

The lakes states remain the industrial core of the U.S., despite steady inroads by other areas. Sheer industrial might is no guarantee of an area's growth, however.

This region has been losing ground since the end of World War II. In 1947, about 30% of all factory workers were employed in the Great Lakes region; now only 27% of factory jobs are located there.

But the proportion of industrial building contracts awarded in the region is rising slowly and steadily. If manufacturers succeed in replacing their obsolete industrial buildings, they will be in a good position to benefit from

the anticipated impact of the St. Lawrence Seaway. Expanding foreign trade and growing industrial development west of the Great Lakes could bring significant changes.

FARM WEST

Additions to factory payrolls in the Farm West have diminished. The region had steadily increased its share of total factory jobs from 1939 to 1954, but between 1954 and 1959, the Farm West held steady at 6% of all U.S. manufacturing employment. Surprisingly, however, these states—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota—had the largest increase in new plant and equipment spending. And the so-called farm states are laying the

groundwork for still more expansion.

In the future, the farm states will surpass New England in the number of factory workers if present growth rates continue to pile up.

SOUTH CENTRAL STATES

The South Central states grew moderately in a wide range of industries during the past half decade. Not only is the entire region growing, but each of the individual states—Alabama, Kentucky, Mississippi and Tennessee—increased their share of total U.S. factory employment between 1954 and 1959.

The South Central is one of our smallest industrial areas, but it is diversified, with soft goods accounting for 56% of all manufacturing jobs. Employment gains between 1954 and 1959 were evenly split between hard and soft goods.

THE SOUTHWEST

In the area comprising the five states of the Southwest—Arkansas, Louisiana, New Mexico, Oklahoma and Texas—growth is emphatic. The gains are spread generously over many hard and soft goods manufacturing industries.

The area's rate of increase in factory jobs has dropped from the dizzy pace set between 1947 and 1954, but industrial growth has continued at a fast pace, and prospects for the future are bright. Even though the share of

all industrial construction contracts in the region dropped between 1954 and 1959, the actual size of the contract share is still very large compared with the area's share of the nation's factory jobs.

MOUNTAIN STATES

The least important industrial area of the country, this region is the fastest growing. Between 1954 and 1959, it increased its share of all U.S. factory jobs from 1.1% to 1.4% based on a 33% rise in factory jobs.

Hard goods industries are spurring growth in the region while soft goods manufacturers tag along. From nearly an even balance between durables and nondurables in 1954, the scales tipped to 55% hard goods, 45% soft goods in 1959.

PACIFIC STATES

Industrial growth in the Far West has continued on a broad front for a long time. Manufacturers' employment increases in California, Oregon and Washington are pushing this region into a photo finish with the South Atlantic states for third place in factory employment. Both regions now employ 10% of U.S. factory workers, but payrolls in the West are growing at a faster clip than in South Atlantic states, so the Pacific area is pulling ahead.

Seventy percent of the Pacific area's factory jobs are in durable goods industries, which are growing twice as fast as nondurables. Between 1947 and 1954, the aircraft industry grew most rapidly. However, with the shift from aircraft to missiles, employment prospects have fallen for this industry. Now electrical machinery—particularly electronics—has seized the spotlight of growth in the area.

Texaco Constructs New Benzene Unit To Meet Shortage

New York—Texaco is building a new benzene plant at Port Arthur, Texas. The new facility, with a capacity of 30-million gal./yr. is scheduled to go on stream in mid-1962.

Texaco said that the new plant would help meet the increasing demand for high-purity benzene, as well as free domestic chemical companies from dependence on European and Iron Curtain sources. In 1959 the United States imported over 44-million gallons of benzene from Russia alone.

No New Contract

The last U.S. contract for Russian material, placed two years ago, was for 180,000 metric tons. A new contract, expected in the fourth quarter of this year, did not materialize, it was reported last week. This was attributed to influx of petro-chemical companies into the benzene field, which is expected to be felt very sharply in 1961.

This development is also expected to be felt on the price front.

Benzene, a coal tar derivative, came into short supply with the low steel operating rate. This led to talk of a price increase. However, the large number of petro-chemical companies turning to benzene production makes an increase unlikely, most producers now believe.

At the start of the year, the tankcar price of both petroleum and cokeoven benzene was raised from 31¢ to 34¢/gal. This is 2¢/gal. below the 1958 level and far below the 55¢/gal. wartime price.

SEARCHLIGHT SECTION

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Steel Buyers See Price Rise Certain Next Year

(Continued from page 1) extras about the middle of the second quarter seem a good bet to some members of the committee. About half see price boosts coming at the end of the first quarter, the rest further on in the second quarter. None believes the steel industry can hold off beyond that point.

What a price increase will do to steel sales is anybody's guess. But whatever occurs, the committee members agreed, steel salesmen will be making a harder pitch than ever before.

This greater sales effort already is causing a stir. Salesmen are branching out from buyers to cornering designers and engineers who can specify type and grade of steel in their plans.

In addition, steel never before pushed by salesmen is getting the hard sell treatment. Items such as high tensile grades are being pushed hard and often.

With inventories admittedly at an extremely low level the committee found steel prices not

Blough Optimistic

New York — Roger M. Blough, chairman of U. S. Steel Corp. said last week that steel users' inventories had been "whittled down" to 10- or 11-million tons, making the prospect of an improved operating rate "much more substantial than anything to the contrary." Despite current low operating rates, steel consumption so far in 1960 has not varied greatly from an estimated 19-million tons quarterly, he said, pointing out that at that rate 1960 usage "would approach the record level of steel consumption which prevailed in the 1955-57 period."

so firm as might seem—particularly in Chicago and other parts of the Midwest.

Committee Chairman A. G. Ruediger, purchasing director of Carrier Corp., said one steel buyer reported the case of a broker who offered prime steel at 50¢/ton below mill price. Other distributors have been ready and willing to cut prices from \$4.50 to \$7/ton on large orders for both cold-rolled and hot-rolled sheet.

Some members of the committee admitted their steel inventories already had been reduced below their normal base

line. But with steel so deep in a buyer's market, none expressed concern over inventories.

P. A.'s see no reason to fear a tightening in the market, provided mills don't cut back their work forces too severely. Nevertheless, the outlook is for slightly lengthening delivery schedules in the first quarter.

Zinc-coated sheet appears to be the top candidate for lead time troubles. Buyers notice a brisk demand for this product both in automotive and other hard goods.

The committee also reported on:

• **Quality**—Buyers are reporting quality troubles with mill steel. This may be due to a re-

laxation of inspection diligence as mills shift personnel during production cutbacks.

• **Inventory**—While some buyers report inventories at rock bottom, others say their inventories have increased. This could result from both increased new orders and the fact that delivery times have lengthened somewhat due to low operating mill rates.

• **Foreign Imports**—Overseas competitors are believed to have shot their bolt. This despite a growing relaxation of payment rules by foreign producers under which more and more U.S. customers are held on open accounts that eliminate the need for letters of credit to buy steel abroad.

Proposal to Revise Defense Buying Promptly Touches Off Controversy

(Continued from page 1) mands channels dealing with plans for new weapon projects.

But critics contended unification would not necessarily provide all those benefits. Some contractors downgraded the effort to consolidate military procurement, stating they fear fewer contracting agencies would mean orders to fewer companies.

Others said they saw more complications than solutions arising from the proposals, predicting that five-year gestation period would be necessary for any kind of central procurement setup to shake down. During this period, they said, the many management problems involved in getting the separate procurement services coordinated would put a tremendous burden on industry.

Other contractor representatives here were enthusiastic about the plan's provision for reducing the civilian bureaucracy in the Pentagon. Said one executive:

Provisions Make Sense

"From a working standpoint, this makes sense. The more levels of approval you have to go through in the military establishment, the slower the decision making process is. The main thing industry should be interested in is the ability to get decisions as promptly as possible out of the military."

Most contractors, however, were more cautious in their views. They felt the plan as it now stands doesn't adequately spell out the nuts and bolts of military procurement.

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The plan was drafted by a six-man committee of experts headed by Sen. Stuart Symington (D-Mo.). Its objective: to bolster military unification by reducing the numbers of layers in the chain of command, downgrading the roles of the individual services, and centralizing more authority in the hands of the civilian Secretary of Defense and a single military chief of staff.

Would Cut Red Tape

On the civilian side, the plan would trim some of the layers away from the Pentagon's complicated lines of authority.

One under-secretary would be in charge of "weapon systems" to cover the functions of research and engineering, procurement and production, and facilities. His office would have "directorates" responsible for planning in each of these areas.

These agencies would replace the large procurement and production office which now exists on the levels of the office of Secretary of Defense and the three service secretary offices.

Under the Symington plan, the military services would retain "existing responsibilities for logistic support." It does not spell out what this means in relation to the new procurement research and engineering, facilities, and production directorates under the under-secretary of defense for weapon systems.

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Flood of Products Brings Wave of Warranties

(Continued from page 1) warranties to bring them up to the level which the replacement brands (Atlas, Seiberling, Allstate, etc.) have been using for years as a marketing tool.

• **Marquette Div. of Curtiss-Wright** has a new manual impact wrench with the offer of a one-year warranty from date of purchase by end user. The warranty becomes effective, however, only on receipt of a warranty card, which is one way, the firm feels, of picking up useful marketing information. Normally, the com-

pany gives 30-day to six-month warranties, depending on the product.

• **General Electric** is handing out more liberal warranties on products that have been improved enough to make an extended guarantee feasible. This happened recently in the case of a new line of motors, which now can be covered against burnout because of a new heat sensing switch that cuts off the motor when the internal winding temperature exceeds a pre-set limit.

• **Westinghouse** has extended a

one-year warranty on its demand meters to 12 years. It was able to do this, it says, because difficult corrosion problems have been solved through use of silicone oils and improved metals.

• **Smith-Corona Merchant** is now experimenting with a five-year guarantee on all electric and manual portable typewriter parts, except heavy-wear items (motor and rubber components). If the results are favorable, as expected, the new policy may be extended to office equipment before too long.

Although most industrial buyers are willing to go along with the new trend to the purely "sales tool" warranty, a sizable number are adopting a wait-and-see attitude. In fact, over 50% of the P.A.'s surveyed by PW said that although the warranty is a valuable safeguard, they still rely most heavily on the unwritten guarantees implied in a reliable buyer-seller relationship.

Manufacturers, too, have their doubts although they are ready to concede that the warranty has become a better sales tool now that reliability programs and improved materials are taking the guesswork out of performance characteristics.

The biggest problem facing industrial P.A.'s in connection with the warranty boom is how to distinguish fact from fancy in warranty claims. Unlike the consumer, he's pretty much on his own when it comes to evaluating warranty advertising. Federal Trade Commission rules, issued last April, don't cover industrial equipment, because, as one FTC official put it, "It's a lot more difficult to fool an industrial customer. By and large he knows what he's getting."

Ruling Provides Guideline

The FTC ruling on consumer warranties does provide some useful guidelines, however, for the industrial buyer. Here are some helpful points to consider:

• **Length of the guarantee.** Make sure the warranty applies to you as end user. Make sure you understand how the phrases "from date of shipment," "from date of delivery," etc. affect the length of the warranty.

• **Base for pro-rating.** If the guarantee is pro-rated over a period of time, make sure you know the basic price from which the pro-rating begins. You can wind up paying as much or more for a replacement if a volume or other discount price is the basic one.

• **Amount of guarantee.** Be sure the amount covered by the replacement is spelled out. If pro-rated, the warranty should specify this.

• **Operating conditions.** Make sure that, in operation, the product is living up to the conditions under which the warranty applies. By the same token, make sure all these conditions are understood at the time of purchase.

• **Components vs. total product.** Make sure that a long-term guarantee applies to a total product rather than a single component, and that the guarantees on parts and total product are the same.

Late News in Brief

Federal Grand Jury Indicts 8 Firms

Buffalo—Eight leading office furniture manufacturers have been indicted by a Federal grand jury on charges of conspiring to fix prices or eliminate competition.

Named were: General Fireproofing Co., Youngstown, O.; Globe-Wernicke Co., Norwood, O.; Shaw-Walker Co., Muskegon, Mich.; Lawman & Erbe Mfg. Co., Inc., Rochester; Art Metal Inc., Jamestown, N. Y.; Steelcase Inc., Grand Rapids, Mich.; Sperry Rand Corp., New York, N. Y. and All Steel Equipment Inc., Aurora, Ill. Invincible Metal Furniture Co., Manitowoc, Wis. and Brown-Morse Co., Muskegon were named co-conspirators.

GE Adds New Capacitor Line

Miami Beach—General Electric Co. has moved into the \$20-million replacement capacitor market with the development of a complete line of electrolytic and paper-Mylar types for electronic equipment.

Price of Key Scrap Improves

Pittsburgh—Railroad grade steel scrap increased \$1.25/ton from a month ago in the first over-all improvement in scrap prices since last summer. The key grade is still below former levels, due to an average drop of \$5.50/ton in October transactions.

Jobless Totals Rise

Washington—Unemployment is now around 4-million and may hit over 5-million by January, according to a Bureau of Labor Statistics survey of job conditions in 150 major industrial areas. The survey also reported a total of 51 large cities with at least 6% of total workforce unemployed.

Electrical Firms Enter Pleas

Philadelphia—Twenty-nine firms and 45 individuals pleaded guilty or no contest last week in the government's price fixing suits against major electrical manufacturers. In one other case, W. C. Rowland, a Westinghouse vice president, stood by a previous innocent plea and will have to stand trial.

Sperry & Hutchinson Green Stamps Invade Industrial Purchasing Field

(Continued from page 1)

for industrial products, which many P.A.'s feel is a form of payola (see PW, Sept. 26, '60, p. 1). "Perhaps some of our competitors will express disapproval, calling it a gift or even a kick-back," Wellington Vandever, Circo president, said. "Actually, it is neither a gift nor a kick-back, but a more dramatic method of offering standard business discounts."

Vandever said the plan was designed to speed up cash flow. Thus, stamps are given out as a discount for prompt payment—within 10 days of invoice. Payments now average 42 days, he said.

Vandever expects the stamp program to boost sales of imported degreasing chemicals 30% to 35%. Truckload quantities of imported trichlorethylene are currently being sold at 13¢/gal., about one penny below domestic price. Stamps are offered only with Circo's green label line of degreasing agents, which uses imported materials.

Use of industrial trading stamps began attracting attention last summer when Industrial Gift Stamp Co. pioneered their distribution in the Chicago area. The plan immediately met with strong opposition in purchasing circles, and the Purchasing Agents Assn. of Chicago actively fought it.

Whether the Chicago group's action entirely eliminated the use of stamps in the Midwest appeared doubtful; but L. R. Seen, secretary of the Chicago association, said news about them apparently has simmered down in recent weeks.

Seen notified all members of the Chicago association by letter last August that acceptance of the stamps did not appear to be ethical. One of several steel suppliers that had offered stamps in Chicago withdrew from the plan after a member of the Association wrote a letter of objection. In another case, an association member notified the Better Business Bureau but the BBB to date has taken no position on the issue.

Circo is offering one stamp for every 10¢ in sales. Each stamp represents a discount of 2½% to 2¾% at retail value. A tank car of trichlorethylene would deliver between \$150 and \$175 in stamps.

May Extend to Other Items

Vandever said that if successful, the trading stamp program may be applied to the company's line of standard off-the-shelf degreasing equipment. He said there is "a possibility" of using the stamps as a discount toward other Circo purchases. However, he said, "we really want to stay away from the 'baker's dozen' selling approach."

Edward J. Beineke, Jr., vice president of Sperry & Hutchinson Co., Inc., told PURCHASING WEEK that the firm currently is negotiating with other industrial companies to tie the S & H stamps to industrial markets. He also indicated the possibility of using S & H stamps for industrial equipment not carried in the consumer product catalog. He said this type purchase would have to be negotiated between S & H and the stamp holding firm.

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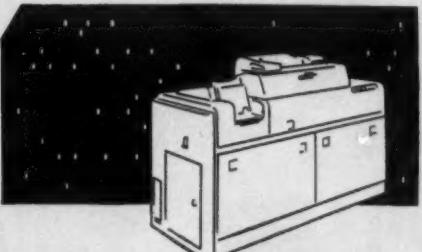
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